

**JOURNAL**  
**OF THE**  
**SENATE**

**STATE OF MINNESOTA**

**SEVENTY-SIXTH LEGISLATURE**

**1989**

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# Introduction

The 1989 Session of the Seventy-Sixth Legislature continued with the same leadership as the 1988 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 1989 Senate, Seventy-Sixth Legislature, was 44 DFL-ers and 23 Independent Republicans.

Senator Pat Pariseau, (IR), Farmington, was elected November 6, 1988 to fill the vacant seat in District 37 which Darril Wegscheid, (DFL) resigned. She was sworn in January 3, 1989.

Senator Tad Jude, (DFL), District 48, resigned his Senate seat, and a special election was held. Patrick D. McGowan, (IR), Maple Grove, was elected December 20, 1988 and sworn in January 3, 1989.

Senator Glen Taylor, (IR), District 24, announced that he would resign his Senate seat in 1990.

A Special Session was called by Governor Rudy Perpich for September 27, 1989, and it lasted three days.

# Members of the Senate

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

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

STATE OF MINNESOTA

# Journal of the Senate

SEVENTY-SIXTH LEGISLATURE

FIRST DAY

St. Paul, Minnesota, Tuesday, January 3, 1989

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

Prayer was offered by Rev. Philip J. Weiler.

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

The Clerk Pro Tem called the roll by legislative districts in numerical order. Senators-elect Patrick D. McGowan and Pat Pariseau presented proof of their eligibility to be seated as members of the Senate.

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

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

### MEMBERS EXCUSED

Mrs. Adkins, Messrs. Dicklich and Knaak were excused from the Session of today.

### OATH OF OFFICE

Senators Patrick D. McGowan and Pat Pariseau then subscribed to the oath of office as administered by the Honorable Peter Popovich, Associate Justice of the Supreme Court.

### ELECTION OF PRESIDENT

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

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

Hughes:

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

Mr. Jerome M. Hughes received 64 votes of the members of the Senate and was duly elected President of the Senate.

### OATH OF OFFICE

Mr. Jerome M. Hughes subscribed to the oath of office as administered by the Honorable Peter Popovich.

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

### ELECTION OF OFFICERS

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

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

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

Mr. Patrick E. Flahaven received 64 votes of the members of the Senate and was duly elected Secretary of the Senate.

### OATH OF OFFICE

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

### ELECTION OF OFFICERS-CONTINUED

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

Mr. Purfeerst nominated Janine Mattson for First Assistant Secretary.  
 Mr. Solon nominated Patrice Dworak for Second Assistant Secretary.  
 Mr. Spear nominated Catherine Morrison for Engrossing Secretary.  
 Mr. Merriam nominated Sven Lindquist for Sergeant at Arms.  
 Mr. Schmitz nominated Ralph Graham for Assistant Sergeant at Arms.  
 Mr. Moe, R.D. nominated Rev. Philip J. Weiler for Chaplain.

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

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

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

### OATH OF OFFICE

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

### MOTIONS AND RESOLUTIONS

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

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

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

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

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. 2: A Senate resolution relating to rules; adopting temporary rules for the 76th session of the Legislature.

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

The permanent rules of the Senate for the 75th session of the Legislature are adopted as the temporary rules of the 76th session, to be effective until the adoption of permanent rules by a majority vote of the Senate, subject to the following conditions:



A resolution or other question before the Senate may be brought to a vote at any time by a majority vote of the members present. A bill may not be introduced on the first day.

The rules referred to above are amended as follows:

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

~~Agriculture~~ *Agriculture and Rural Development*

Commerce

Economic Development and Housing

Education

Elections and Ethics

Employment

Environment and Natural Resources

Finance

General Legislation and Public Gaming

Governmental Operations

Health and Human Services

Judiciary

Local and Urban Government

Public Utilities and Energy

Rules and Administration

Taxes and Tax Laws

Transportation

~~Veterans~~ *Veterans and Military Affairs*

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

Each standing committee of the Senate, including a subcommittee of the committee, is authorized at any time to sit and act, to investigate and take testimony on any matter within its jurisdiction, to report hearings held by it, and to make expenditures as authorized from time to time by the standing Committee on Rules and Administration. A standing committee, but not a subcommittee, may require by subpoena or otherwise the attendance and testimony of witnesses and the production of correspondence, books, papers, and documents, in the manner provided by Minnesota Statutes, Section 3.153.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

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

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

The Joint Rules of the Senate and the House of Representatives for the 75th session are adopted as the temporary joint rules of the 76th session, to be effective until the adoption of Permanent Joint Rules by the Senate and the House of Representatives.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

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

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

The standing committees of the Senate for the 76th session have the membership shown in this resolution.

#### COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT (15)

Davis, Chair	Anderson
Frederickson, D.J., Vice Chair	Beckman

Berg	Freeman
Bertram	Larson
Brandl	Morse
Decker	Renneke
DeCramer	Vickerman
Frederickson, D.R.	

## COMMITTEE ON COMMERCE (17)

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

## COMMITTEE ON ECONOMIC DEVELOPMENT AND HOUSING (13)

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

## COMMITTEE ON EDUCATION (21)

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

## COMMITTEE ON ELECTIONS AND ETHICS (12)

Hughes, Chair	McGowan
Luther, Vice Chair	McQuaid
Cohen	Metzen
Johnson, D.E.	Moe, R.D.
Johnson, D.J.	Peterson, D.C.
Laidig	Samuelson

## COMMITTEE ON EMPLOYMENT (11)

Chmielewski, Chair	Frank
Piper, Vice Chair	Gustafson
Adkins	Kroening
Beckman	Pehler
Brataas	Ramstad
Diessner	

COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES (16)

Lessard, Chair	Marty
Dahl, Vice Chair	Merriam
Berg	Morse
Bernhagen	Novak
Davis	Olson
Frederickson, D.R.	Pariseau
Knaak	Peterson, R.W.
Laidig	Stumpf

COMMITTEE ON FINANCE (30)

Merriam, Chair	Lessard
Freeman, Vice Chair	Luther
Berg	Mehrrens
Brataas	Metzen
Dahl	Moe, D.M.
DeCramer	Piper
Dicklich	Purfeerst
Frederick	Ramstad
Frederickson, D.R.	Renneke
Hughes	Samuelson
Johnson, D.E.	Solon
Knutson	Spear
Kroening	Storm
Langseth	Taylor
Lantry	Waldorf

COMMITTEE ON GENERAL LEGISLATION  
AND PUBLIC GAMING (9)

Lantry, Chair	Johnson, D.E.
Berg, Vice Chair	McGowan
Bertram	McQuaid
Davis	Samuelson
Diessner	

COMMITTEE ON GOVERNMENTAL OPERATIONS (13)

Moe, D.M., Chair	Marty
Morse, Vice Chair	Pariseau
Brandl	Pogemiller
Decker	Renneke
Frederickson, D.J.	Taylor
Frederickson, D.R.	Waldorf
Freeman	

COMMITTEE ON HEALTH AND HUMAN SERVICES (15)

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

## COMMITTEE ON JUDICIARY (17)

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

## COMMITTEE ON LOCAL AND URBAN GOVERNMENT (11)

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

## COMMITTEE ON PUBLIC UTILITIES AND ENERGY (12)

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

## COMMITTEE ON RULES AND ADMINISTRATION (31)

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

## COMMITTEE ON TAXES AND TAX LAWS (25)

Johnson, D.J., Chair	Chmielewski
Brandl, Vice Chair	Cohen
Anderson	Davis
Belanger	Diessner
Benson	Frank
Berglin	Gustafson
Bernhagen	Knaak
Bertram	Laidig

Larson	Pogemiller
Novak	Reichgott
Pehler	Schmitz
Peterson, D.C.	Stumpf
Peterson, R. W.	

**COMMITTEE ON TRANSPORTATION (12)**

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

**COMMITTEE ON VETERANS AND MILITARY AFFAIRS (11)**

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

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. 4: A Senate resolution relating to the schedule of standing committee meetings.

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

The standing committees shall meet during the 76th Legislature according to the following schedule:

**SENATE COMMITTEE SCHEDULE**

COMMITTEE	CHAIR	Off. Room No.	Dir. Line No.	Hear. Room No.	Hour
<b>MONDAY</b>					
Education	Pehler	9	296-4185	15	8-10 A.M.
Agriculture and Rural Development	Davis	24	7405	112	10-12 Noon
Judiciary	Spear	27	4191	15	10-12 Noon
Local and Urban Government	Schmitz	235	4150	107	Noon-2 P.M.
Economic Development and Housing	Frank	10	8864	15	Noon-2 P.M.
Floor Session			Senate Chamber		2-3 P.M.
Education Aids Division	Peterson, R. W.	9	8018	15	3-5 P.M.
<b>TUESDAY</b>					
Governmental Operations	Moe, D.M.	309	4175	15	8-10 A.M.
Transportation	Purfeerst	303	4186	112	8-10 A.M.
Employment	Chmielewski	325	8865	107	8-10 A.M.
Commerce	Solon	303	4158	112	10-12 Noon

Public Utilities and Energy	Dicklich	235	1767	15	10-12 Noon
Veterans and Military Affairs	Bertram	323	1771	107	10-12 Noon
Health and Human Services	Berglin	29	4151	15	1-3 P.M.
Environment and Natural Resources	Lessard	111	1113	112	1-3 P.M.
Taxes and Tax Laws	Johnson, D.J.	205	4839	15	3-5 P.M.
Finance	Merriam	122	4157	123	3-5 P.M.

**WEDNESDAY**

Education	Pehler	9	4185	15	8-10 A.M.
General Legislation and Public Gaming	Lantry	328	5539	107	8-10 A.M.
Agriculture and Rural Development	Davis	24	7405	112	10-12 Noon
Judiciary	Spear	27	4191	15	10-12 Noon
Elections and Ethics	Hughes	328	8866	107	11:30-1 P.M.
Health and Human Services	Berglin	29	4151	15	1-3 P.M.
Environment and Natural Resources	Lessard	111	1113	112	1-3 P.M.
Taxes and Tax Laws	Johnson, D.J.	205	4839	15	3-5 P.M.
Finance	Merriam	122	4157	123	3-5 P.M.

**THURSDAY**

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

**FRIDAY**

Education	Pehler	9	4185	15	8-10 A.M.
General Legislation and Public Gaming	Lantry	328	5539	107	8-10 A.M.
Judiciary	Spear	27	4191	15	10-12 Noon
Health and Human Services	Berglin	29	4151	15	1-3 P.M.
Environment and Natural Resources	Lessard	111	1113	112	1-3 P.M.
Taxes and Tax Laws	Johnson, D.J.	205	4839	15	3-5 P.M.
Finance	Merriam	122	4157	123	3-5 P.M.

**ON CALL**

Rules and Administration	Moe, R.D.	208	4196	15	
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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. 5: A Senate resolution relating to postage.

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

For the 1989 session of the 76th Legislature, the Secretary of the Senate may purchase postage to furnish each member of the Senate 3,500 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; five other members of the minority designated by the Senate Minority Leader; and five 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

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

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

The custodian of the Capitol shall reserve all parking space necessary on the Capitol grounds, Capitol Approach and Aurora Avenue for the use of the members and staff of the Legislature for the 76th session of the Legislature, allowing reasonable space for parking to the general public having business at the Capitol. The Committee on Rules and Administration of the Senate and the Committee on Rules and Legislative Administration of the House of Representatives may designate necessary personnel to assist the custodian of the Capitol in this matter.

The Secretary of the Senate and the Chief Clerk of the House of Representatives may deduct from the check of any legislator or legislative employee in each year of the 76th session of the Legislature a sum adequate to cover the exercise of the parking privilege defined in this resolution in conformity with the practice of the Department of Administration.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

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

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

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

Expenses incurred in attending these meetings and seminars must be paid by the Secretary of the Senate with warrants drawn on 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 7: A Senate resolution relating to expenses of interns.

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

For the 1989 session of the 76th 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

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

Senate Resolution No. 8: A Senate resolution naming presidents pro tempore.

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

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

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. 9: A Senate resolution relating to appointment of a committee to notify the Governor the Senate is organized.

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

The President of the Senate shall appoint a committee of five to act with

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

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

#### APPOINTMENTS

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

Messrs. Freeman, Stumpf, Mmes. Brataas, Lantry and Mr. Decker.

#### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. introduced—

Senate Resolution No. 10: A Senate resolution relating to appointment of a committee to notify the House of Representatives that the Senate is organized.

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

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

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

#### APPOINTMENTS

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

Mr. Brandl, Ms. Peterson, D.C.; Messrs. Mehrkens; Johnson, D.E. and DeCramer.

#### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 3: 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, January 4, 1989, the Senate may set its next day of meeting for Monday, January 9, 1989.

2. Upon its adjournment on Wednesday, January 4, 1989, the House of Representatives may set its next day of meeting for Monday, January 9, 1989.

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.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 5:45 p.m., Wednesday, January 4, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SECOND DAY

St. Paul, Minnesota, Wednesday, January 4, 1989

The Senate met at 5:45 p.m. and was called to order by the President.

Prayer was offered by Senator Dean E. Johnson.

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

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

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

Robert E. Vanasek, Speaker

Edward A. Burdick, Chief Clerk

Albin A. Mathiowetz, First Assistant Chief Clerk

Teresa B. Kittridge, Second Assistant Chief Clerk

Ronald G. Lawrence, Postmaster

Song K. Kong, Assistant Postmaster

Margaret M. Olson, Assistant Sergeant at Arms

Toya A. Farrar-Orr, Assistant Sergeant at Arms

LeClair G. Lambert, Assistant Sergeant at Arms

Frank J. Strohmayer, Index Clerk

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 3, 1989

Mr. President:

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

Sarna, Chairman; Conway; Hasskamp; Beard; Janezich; Dille and Blatz have been appointed to such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 3, 1989

Mr. President:

I have the honor to inform the Senate that the House of Representatives is duly organized pursuant to law and invites and is ready to meet with the Senate at 6:15 p.m., Wednesday, January 4, 1989, to receive the message of the Honorable Rudy Perpich, Governor of the State of Minnesota, said message to be delivered at 6:30 p.m., Wednesday, January 4, 1989.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 3, 1989

Mr. Moe, R.D. moved that the Senate accede to the request of the House of Representatives to meet in Joint Convention in the House Chamber at 6:30 p.m., Wednesday, January 4, 1989, to receive the message of the Honorable Rudy Perpich, Governor of the State of Minnesota. The motion prevailed.

Mr. President:

I have the honor to announce that the House has appointed a committee of seven members of the House to act with a similar committee on the part of the Senate to escort the Governor to the Joint Convention to be held in the House Chamber, Wednesday, January 4, 1989, said Joint Convention to be convened at 6:15 p.m. and said message of the Governor to be delivered at 6:30 p.m.

Pugh, Chairman; McGuire; Ostrom; Weaver; O'Connor; Skoglund and Pauly have been appointed as members of such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 3, 1989

**MOTIONS AND RESOLUTIONS**

Mr. Moe, R.D. introduced—

Senate Resolution No. 15: A Senate resolution relating to appointment of a committee to escort the Governor to the House Chamber for a Joint Convention.

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

The President of the Senate shall appoint a committee of five members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Rudy Perpich, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Wednesday, January 4, 1989, at 6:30 p.m.

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

**APPOINTMENTS**

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

Ms. Berglin, Messrs. Belanger, Diessner, Kroening and Larson.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

**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. 3: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 3, 1989

Mr. President:

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

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 4, 1989

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. 1: A Senate concurrent resolution relating to the adoption of temporary joint rules.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 4, 1989

### **MOTIONS AND RESOLUTIONS**

Mr. Stumpf introduced—

Senate Resolution No. 11: A Senate resolution congratulating the Hallock Bears football team from Hallock, Minnesota, for winning the 1988 Prep Bowl VII Nine-Man championship.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—

Senate Resolution No. 12: A Senate resolution congratulating Hopkins High School for qualifying for the Texaco Star National Academic Championship competition.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—

Senate Resolution No. 13: A Senate resolution congratulating Minnetonka High School for receiving national recognition for its chemical abuse program.

Referred to the Committee on Rules and Administration.

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

Senate Resolution No. 14: A Senate resolution congratulating the Vikings football team from Minneota High School for winning the 1988 Class C State High School Football Championship.

Referred to the Committee on Rules and Administration.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Merriam; Lessard; Moe, R.D.; Pehler and Benson introduced—

S.F. No. 1: A bill for an act relating to waste management; restoring powers and duties to the waste management board.

Referred to the Committee on Environment and Natural Resources.



Mr. Merriam introduced—

S.F. No. 2: A bill for an act relating to governmental operations; eliminating use of reorganization orders to transfer appropriations, powers, or duties; amending Minnesota Statutes 1988, section 16B.37, subdivisions 1 and 2; repealing Minnesota Statutes 1988, section 16B.37, subdivision 3.

Referred to the Committee on Governmental Operations.

Messrs. Luther; Moe, R.D. and Spear introduced—

S.F. No. 3: A bill for an act relating to crime; controlled substances; creating controlled substance crimes in the first, second, third, fourth, fifth, sixth, and seventh degrees; increasing penalties for controlled substance offenses; providing mandatory minimum sentences for repeat controlled substance offenses; providing a mandatory minimum sentence for a controlled substance offense committed with a dangerous weapon; creating a presumption that occupants in automobile or room knowingly possess controlled substances found there; amending Minnesota Statutes 1988, sections 152.01, by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.15, subdivision 4a; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; and 609.11, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 152; repealing Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5.

Referred to the Committee on Judiciary.

Messrs. Luther; Moe, R.D. and Hughes introduced—

S.F. No. 4: 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; 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; imposing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7, 10, 10b, 15, and by adding subdivisions; 10A.25, subdivision 10, and by adding a subdivision; 10A.255; 10A.27, by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1 to 3, 5 to 11, and by adding subdivisions; 10A.33; and 10A.335; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; and 10A.32.

Referred to the Committee on Elections and Ethics.

Mr. Marty introduced—

S.F. No. 5: A bill for an act relating to state and local government; ethics; establishing an ethics code for public officials and employees; providing for its enforcement; establishing a board of ethics; renaming the ethical practices board and transferring certain of its duties; imposing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivision 6; and 10A.02, subdivision 1; proposing coding for new law as Minnesota Statutes,

chapter 10B; repealing Minnesota Statutes 1988, sections 10A.01, subdivisions 11 and 18; 10A.03 to 10A.10; and 43A.38.

Referred to the Committee on Elections and Ethics.

Mr. Lessard introduced—

S.F. No. 6: A bill for an act relating to taxation; exempting an Itasca county levy from the penalty for levies in excess of limitations.

Referred to the Committee on Taxes and Tax Laws.

Mr. Lessard, Mrs. Lantry and Mr. Purfeerst introduced—

S.F. No. 7: A bill for an act relating to lotteries; authorizing the sale of lottery tickets; establishing a Minnesota state lottery and a lottery commission; providing for its powers and duties; establishing a program for compulsive gamblers; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 290.92, by adding a subdivision; 340A.410, subdivision 5; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 245 and 297A; proposing coding for new law as Minnesota Statutes, chapter 240B.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Dahl introduced—

S.F. No. 8: A bill for an act relating to public safety; prohibiting the sale of cigarettes and little cigars that do not meet certain standards for fire safety; requiring the commissioner of public safety to develop standards; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Dahl introduced—

S.F. No. 9: A bill for an act relating to public safety; requiring inspection of commercial movie theaters; establishing requirements for movie projectionists; appropriating money; amending Minnesota Statutes 1988, sections 299H.22, subdivision 1, and by adding a subdivision; 299H.23; and 299H.28, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299H.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Dahl introduced—

S.F. No. 10: A bill for an act relating to the environment; requiring volume or weight based pricing of collection of mixed municipal solid waste; requiring weekly curbside pickup of mixed municipal solid waste and recyclables; requiring collection of white goods; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 11: A bill for an act relating to trade practices; utilities; regulating penalties imposed on delinquent bills; amending Minnesota Statutes 1988, section 325E.025, by adding a subdivision.

Referred to the Committee on Public Utilities and Energy.

Mr. Dahl introduced—

S.F. No. 12: A bill for an act relating to retirement; Minnesota state retirement system correctional employees retirement plan; providing retroactive plan coverage for certain correctional service personnel at the Minnesota correctional facility-Lino Lakes; requiring additional member and employer contributions; amending Minnesota Statutes 1988, section 352.91, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Taylor introduced—

S.F. No. 13: A bill for an act relating to human services; 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 privately operated child care in the 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; appropriating money; amending Minnesota Statutes 1988, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 245A.04, by adding a subdivision; 245A.14, by adding a subdivision; 256H.10, subdivisions 1 and 2, 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, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Taylor introduced—

S.F. No. 14: A bill for an act relating to crimes; lowering maximum allowable alcohol concentration to 0.05 for crimes involving driving while intoxicated; amending Minnesota Statutes 1988, sections 84.911, subdivision 1; 169.121, subdivisions 1 and 2; 169.123, subdivisions 2, 4, 5a, and 6; 169.129; 192A.555; 361.12, subdivision 4; 361.121, subdivision 1; and 609.21, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Judiciary.

Mr. Taylor introduced—

S.F. No. 15: A bill for an act relating to capital improvements; providing for capital expenses at Mankato State University; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Mr. Taylor introduced—

S.F. No. 16: A bill for an act relating to education; proposing the Minnesota skills assessment act; proposing coding for new law in Minnesota Statutes, chapter 121.

Referred to the Committee on Education.

Mr. Ramstad introduced—

S.F. No. 17: A bill for an act relating to corrections; requiring the commissioner of corrections to incarcerate two persons per cell when necessary; creating a Minnesota board of corrections; creating a corrections reform advisory committee to report a bill to the legislature that reforms correctional law using the Texas correctional system as a model; amending Minnesota Statutes 1988, section 241.01, subdivision 3a; proposing coding for new law as Minnesota Statutes, chapter 241A.

Referred to the Committee on Health and Human Services.

Mr. Ramstad introduced—

S.F. No. 18: A bill for an act relating to child abuse reporting; defining “physical abuse” to include use of a controlled substance by a pregnant woman; amending Minnesota Statutes 1988, section 626.556, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Ramstad introduced—

S.F. No. 19: A bill for an act relating to crimes; abolishing the sentencing guidelines system of sentencing; authorizing sentencing offenders up to the maximum sentence provided by law for the offense of conviction; requiring sentencing most offenders who commit felonies to mandatory minimum sentences; requiring repeat felony offenders to be sentenced to extended terms of imprisonment; providing for sentencing offenders who commit “crimes against the person” against the elderly and handicapped to additional sentences; providing for life imprisonment without supervised release for persons convicted of murder in the first degree; increasing maximum sentences for persons convicted of criminal sexual conduct and criminal vehicular operation; requiring revocation of driver’s licenses for persons convicted of crimes when intoxicated or chemically dependent; requiring mandatory treatment programs for persons convicted of violent sexual crimes and while intoxicated; requiring mandatory HIV antibody testing for all persons convicted of criminal sexual conduct; prescribing penalties; amending Minnesota Statutes 1988, sections 152.15, subdivision 1, and by adding subdivisions; 243.18; 244.02; 244.03; 244.04, subdivision 1; 244.05, subdivisions 4 and 5; 244.08, subdivision 1; 609.10; 609.11, subdivision 1; 609.12, subdivisions 1 and 3; 609.135, subdivision 1; 609.19; 609.195; 609.20; 609.205; 609.21, subdivisions 1 and 2; 609.215; 609.221; 609.222; 609.223; 609.2231; 609.224, subdivision 1; 609.23; 609.231; 609.235; 609.24; 609.245; 609.25, subdivision 2; 609.255, subdivisions 2 and 3; 609.265; 609.27, subdivision 2; 609.28; 609.322, by adding a subdivision; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.365; 609.498, subdivisions 1a and 3; 609.50; 609.561; 609.562; 609.582, subdivisions 1, 2, 3, and 4; and 609.595, by

adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 244 and 609; repealing Minnesota Statutes 1988, sections 244.09; 244.10, subdivisions 2 and 3; 609.11, subdivision 8; 609.342, subdivision 3; 609.343, subdivision 3; 609.344, subdivision 3; 609.345, subdivision 3; 609.346; 609.38; 609.582, subdivision 1a; and 609.583.

Referred to the Committee on Judiciary.

Mr. Knaak introduced—

S.F. No. 20: A bill for an act relating to taxation; exempting a levy by the city of White Bear Lake from the penalty for levies in excess of levy limitations.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knaak introduced—

S.F. No. 21: 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.

Mr. Knaak introduced—

S.F. No. 22: 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.

Mr. Benson introduced—

S.F. No. 23: A bill for an act relating to traffic regulations; providing exemption from two-unit vehicle restriction for horse trailers towed from place of manufacture; amending Minnesota Statutes 1988, section 169.81, subdivision 3.

Referred to the Committee on Transportation.

Messrs. Dahl and Marty introduced—

S.F. No. 24: 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 and Rural Development.

Mr. Stumpf introduced—

S.F. No. 25: A bill for an act relating to the legislature; correcting inaccurate references to senate committees; removing an obsolete reference to senate and house committees; amending Minnesota Statutes 1988, sections 97A.045, subdivision 8; 97A.065, subdivision 3; 116E.035; and 480.256.

Referred to the Committee on Environment and Natural Resources.

Mr. Spear introduced—

S.F. No. 26: A bill for an act relating to courts; reenacting the statutory provision authorizing six member juries in nonfelony cases; reenacting Minnesota Statutes 1988, section 593.01, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Dahl introduced—

S.F. No. 27: A bill for an act relating to education; requiring the student member of the board of regents to be a student at the time of election; amending Minnesota Statutes 1988, section 137.023.

Referred to the Committee on Education.

Ms. Reichgott introduced—

S.F. No. 28: 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.

Messrs. Davis, Berg and Mehrkens introduced—

S.F. No. 29: A bill for an act relating to taxation; clarifying authorization for county levy for providing funds for county agricultural societies; amending Minnesota Statutes 1988, section 38.27, subdivision 1; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; and 38.28.

Referred to the Committee on Taxes and Tax Laws.

### RECESS

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

### MEMBERS EXCUSED

Messrs. Frederickson, D.R.; Knaak and Knutson were excused from the Session of today.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, January 9, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

### THIRD DAY

St. Paul, Minnesota, Monday, January 9, 1989

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, Rev. Luther Bexell.

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

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

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

Various reports were filed during the 1988 interim by Retirement and Relief Associations and are filed in the office of the Secretary of the Senate; also reports made by the Legislative Audit Commission on various state institutions and boards; Department of Administration, Facilities Planning Report for the Minnesota School and Resource Center for the Arts, 1988; Department of Health, Health Facility Complaints, Annual Report, 1987; Department of Jobs and Training, Restriction on Weatherization of Rental Units, 1988; Department of Agriculture, Empty Pesticide Container Disposal Report, 1988; Department of Jobs and Training, Annual Report, 1987; Department of Human Services, General Assistance Medical Care, 1987; Department of Finance, Legislative Advisory Commission, 1987; Department of Health, Smoking Prevention Activities, 1987; Department of Natural Resources, Consolidating Trails and Waterways Unit with Parks and

Recreation Division, 1987; Department of Natural Resources, Biennial Report, 1985-87; Pollution Control Agency, Ground Water Contamination Susceptibility in Minnesota, 1988; Department of Human Services, Aid to Families with Dependent Children, 1987; Department of Natural Resources, Self-Sufficiency Report for Douglas Lodge Complex in Itasca State Park, 1988; Department of Human Services, Rate Limits for Negotiated Rate Facilities in the Minnesota Supplemental Aid Program, 1988; State Auditor, Revenues, Expenditures and Debt of the Counties in Minnesota, 1986; Department of Trade and Economic Development, Minnesota Enterprise Zone, Status Report, 1986; Department of Labor and Industry, Labor Standards Division, Prevailing Wage Certifications, 1988; Department of Human Services, Quarterly Report on Establishment of Systems, 1988; Regional Transit Board, Metro Mobility Complaints, 1988; Department of Health, Special Study, Reimbursement by Third Party Payors of Home Health Benefits for Technology-Dependent Individuals, 1988; Board of Judicial Standards, Annual Report, 1987; Department of Human Services, General Assistance and Work Readiness, Annual Report, 1987; Department of Human Services, Supplemental Aid Program, 1987; Southwest Regional Development Commission, Overall Work Program, 1989; Department of Trade and Economic Development, Minnesota Set-Aside Program, 1987-88; Charitable Gambling Control Board, Annual Report, 1988; Department of Agriculture, Minnesota Agricultural Land Preservation Program, Status Report and Findings of the Pilot County Program, 1988; Mortuary Science Advisory Council, Biennial Report, 1986-88; Metropolitan Council, Report of the Metropolitan Systems Committee, 1988; Ethical Practices Board, Annual Report, 1987-88; Regional Transit Board, Review of Hennepin County Comprehensive LRT System Plan, 1988; Board of Barber Examiners, Biennial Report, 1986-88; Board of Assessors, Biennial Report, 1986-88; Board of Veterinary Medicine, Biennial Report, 1986-88; Board of Social Work, Biennial Report, 1987-88; Board of Unlicensed Mental Health Service Providers, Biennial Report, 1987-88; Board of Marriage and Family Therapy, Biennial Report, 1987-88; Board of Podiatric Medicine, Biennial Report, 1986-88; Department of Human Services, State Advisory Council on Mental Health, 1988; State Board of Electricity, Biennial Report, 1986-88; State Board of Pharmacy, Biennial Report, 1986-88; State Board of Nursing Home Administrators, Biennial Report, 1986-88; State Board of Accountancy, Biennial Report, 1986-88; State Board of Abstracters, Biennial Report, 1986-88; State Board of Boxing, Biennial Report, 1986-88; State Board of Nursing, Biennial Report, 1986-88; Department of Public Safety, Driver and Vehicle Services Division, Compressed Natural Gas User Permits and Impact of Fees Collection, 1988; Department of Administration, Surplus State Lands, Biennial Status Report, 1986-88; Regional Transit Board, Annual Report, 1987; Supreme Court, State Court Administrator, Interception of Communications, 1986-87; Ombudsman for Corrections, Annual Report, 1988; Legislative Commission on Minnesota Resources, Biennial Report, 1988; Board of Animal Health, Annual Report, 1988; Indian Affairs Council, Annual Report, 1988; Examining and Licensing Boards, Biennial Report, 1986-88; Board of Teaching, Biennial Report, 1986-88; Board of Optometry, Biennial Report, 1986-88; Department of Jobs and Training, Minnesota Head Start Report to the Legislature, 1989; Department of Veterans Affairs, State Veterans Cemetery Site Suitability Study, 1988; Board of Peace Officer Standards and Training, Annual Report, Monies Distributed by the Post Board, 1989; Board of Peace Officer Standards and Training, Biennial Report, 1987-88;



Department of Natural Resources, Division of Waters, Assumption Feasibility Study, 1988; Minnesota Veterans Homes Board of Directors, Efforts to Maximize Use of Federal VA Funds, 1989; Department of Natural Resources, Division of Forestry, Fire Fighting Expenditures, 1989; Department of Administration, Management Analysis Division, State Office Space Options and Costs, 1988; University of Minnesota, Special State Appropriations, 1988; University of Minnesota, System Plans, 1988; University of Minnesota, Regent's Office Staffing, 1988; University of Minnesota, Rochester Graduate Education, 1988; Board of Dentistry, Biennial Report, 1987-88; Council on Children, Youth and Families, Child Care Help Line, 1989; State Board of Vocational Technical Education, Biennial Planning Report, 1988; Regional Transit Board, Status Report on Metro Mobility, 1988; Department of Health, Proposals for Alternative Funding for Water Supply Monitoring and Surveillance in Minnesota, 1988; Department of Health, Maternal and Child Nutrition Act, 1988; Minnesota Community Colleges, Progress Report 1986-88 and Strategic Plan 1988-90.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 14, 1987

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointments to the Board on Judicial Standards are hereby respectfully submitted to the Senate for confirmation as required by law:

Raul Salazar, 3605 Tuxedo Rd., Mound, Hennepin County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Janna Merrick, 230 York Ave., Elk River, Sherburne County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Judiciary.)

January 14, 1987

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Hazardous Substance Injury Compensation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

David R. Miller, 1309 Jonquil Ln., White Bear Lake, Ramsey County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

(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 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 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 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.)

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 Hillside 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.)

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.)

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 and Rural Development.)

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 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 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 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:

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.)

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.)

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

John James, 4233 Sheridan Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective December 18, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Taxes and Tax Laws.)

Sincerely,  
Rudy Perpich, Governor

### MOTIONS AND RESOLUTIONS

Mr. Luther moved that the names of Mr. Solon and Ms. Berglin be added as co-authors to S.F. No. 3. The motion prevailed.

Mr. Lessard moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 7. The motion prevailed.

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

Mr. Taylor moved that the name of Mr. Solon be added as a co-author to S.F. No. 13. The motion prevailed.

Mr. Ramstad moved that the names of Messrs. Belanger, Anderson and McGowan be added as co-authors to S.F. No. 17. The motion prevailed.

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

Mr. Ramstad moved that the names of Messrs. Belanger, Storm and McGowan be added as co-authors to S.F. No. 19. The motion prevailed.

Ms. Reichgott moved that the names of Messrs. Marty, Storm, Purfeerst and Moe, R.D. be added as co-authors to S.F. No. 28. The motion prevailed.

Ms. Reichgott and Mr. Ramstad introduced—

Senate Resolution No. 16: A Senate resolution congratulating the Robbinsdale Armstrong High School girls volleyball team for finishing second in the Class AA state volleyball competition.

Referred to the Committee on Rules and Administration.

Mrs. McQuaid introduced—

Senate Resolution No. 17: A Senate resolution commending Hugh Strawn for his many years of service in behalf of the residents of Minnesota and on his retirement from the Hopkins Fire Department.

Referred to the Committee on Rules and Administration.

Messrs. Knaak and Laidig introduced—

Senate Resolution No. 18: A Senate resolution congratulating the Bears Track Team of White Bear Lake High School for winning the 1988 State Class AA Boys Track Championship.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 19: A Senate resolution commending Kurt Scheeler of Cold Spring, Minnesota, for the heroic action of saving his mother's life by implementing the Heimlich maneuver.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 20: A Senate resolution congratulating the Minnesota County Veterans' Service officers for their dedication to Minnesota veterans.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Resolution No. 21: A Senate resolution relating to extending congratulations to the Win-E-Mac Girls Volleyball Team from the Winger, Erskine, and McIntosh High School for winning the 1988 Class A Girls State High School Volleyball Championship.

Referred to the Committee on Rules and Administration.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Dahl introduced—

S.F. No. 30: A bill for an act relating to the capital improvements; creating a legislative commission on capital improvements; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Governmental Operations.

Mr. Spear, Ms. Reichgott; Peterson, D.C.; Messrs. Cohen and Ramstad introduced—

S.F. No. 31: A bill for an act relating to crime; increasing the penalty for criminal vehicular operation; amending Minnesota Statutes 1988, section 609.21, subdivision 1.

Referred to the Committee on Judiciary.



Mr. Spear, Mses. Reichgott; Peterson, D.C.; Messrs. Cohen and Belanger introduced—

S.F. No. 32: A bill for an act relating to crimes; trespass; recodifying the law on dangerous trespasses and misdemeanor trespasses; prescribing penalties; amending Minnesota Statutes 1988, sections 609.50; 609.55, subdivision 2, and by adding subdivisions; 609.576; 609.605; 609.85; 609.855, subdivisions 1 and 3; and 624.731, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 609.60.

Referred to the Committee on Judiciary.

Messrs. Dahl, Merriam, Novak and Pehler introduced—

S.F. No. 33: A bill for an act relating to education; appropriating money to administer a "2 + 2" program at Anoka-Ramsey Community College.

Referred to the Committee on Education.

Mr. Benson introduced—

S.F. No. 34: A bill for an act relating to game and fish; requiring non-residents to possess a firearm safety certificate to hunt with firearms; amending Minnesota Statutes 1988, section 97B.015, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Mr. Knutson introduced—

S.F. No. 35: A bill for an act relating to taxation; sales and use; repealing accelerated payment of June liability; amending Minnesota Statutes 1988, section 297A.27, subdivision 1; repealing Minnesota Statutes 1988, section 297A.275.

Referred to the Committee on Taxes and Tax Laws.

Mr. Laidig introduced—

S.F. No. 36: A bill for an act relating to crimes; removing the monetary limitation on seizure of conveyance devices associated with controlled substances; amending Minnesota Statutes 1988, sections 609.5311, subdivision 3; and 609.5314, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 37: A bill for an act relating to local government; delaying the effective date of the historical society levy for Chisago, Kanabec, Pine, and Carlton counties; amending Laws 1988, chapter 640, section 4.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 38: A bill for an act relating to taxation; requiring a registration certificate for park trailers; imposing a registration tax on park trailers; requiring owners of unregistered park trailers to pay property tax; imposing

motor vehicle excise tax on park trailers; providing that motor vehicle dealers may sell park trailers; amending Minnesota Statutes 1988, sections 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; and 297B.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 39: A bill for an act relating to commerce; video games of chance; modifying license fees for distributors and operators; modifying the amount of the distributor bond; amending Minnesota Statutes 1988, section 349.51, subdivisions 3 and 4.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Bertram introduced—

S.F. No. 40: A bill for an act relating to taxation; motor vehicle excise; exempting purchase or use of a motor vehicle by a veteran's organization for certain purposes; amending Minnesota Statutes 1988, section 297B.03.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 41: 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. 42: A bill for an act relating to crimes; increasing the penalty for mutilating the American flag; amending Minnesota Statutes 1988, section 609.40, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 43: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1988, section 197.23.

Referred to the Committee on Veterans and Military Affairs.

Mr. Bertram introduced—

S.F. No. 44: A bill for an act relating to motor vehicles; providing for the transfer of "EX-POW" license plates to surviving spouses; amending Minnesota Statutes 1988, section 168.125, subdivision 1.

Referred to the Committee on Veterans and Military Affairs.

Mr. Bertram introduced—

S.F. No. 45: A bill for an act relating to veterans; requiring the commissioner of administration to provide space in the veterans service building to the county veterans service officers association; amending Minnesota Statutes 1988, section 197.58.

Referred to the Committee on Governmental Operations.

Messrs. Vickerman and DeCramer introduced—

S.F. No. 46: A bill for an act relating to taxation; exempting leased hangars at airports in small cities from property taxation; amending Minnesota Statutes 1988, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Vickerman, Morse and DeCramer introduced—

S.F. No. 47: 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 U.S. highway marked No. 12 and in Hennepin, Anoka, Ramsey, and Washington counties; amending Minnesota Statutes 1988, section 97C.395, subdivision 1, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Vickerman, Morse and DeCramer introduced—

S.F. No. 48: A bill for an act relating to economic development; authorizing counties to establish economic development authorities; amending Minnesota Statutes 1988, sections 469.090, by adding a subdivision; 469.091, subdivision 1, and by adding a subdivision; 469.092, subdivisions 1, 3, 4, and 5; 469.093, subdivision 1; 469.094, subdivisions 1, 2, and 3; 469.095; 469.097, subdivisions 3, 5, and 6; 469.099, subdivision 3; 469.100, subdivisions 2, 3, 4, 5, and 6; 469.101, subdivisions 1, 4, 15, and 16; 469.102, subdivisions 1, 2, 4, and 5; 469.103, subdivisions 1 and 6; 469.105, subdivisions 1 and 4; and 469.107.

Referred to the Committee on Economic Development and Housing.

Messrs. Vickerman and DeCramer introduced—

S.F. No. 49: A bill for an act relating to agriculture; authorizing grazing or haying of certain land under conservation easements with the approval of the governor; amending Minnesota Statutes 1988, section 40.43, subdivision 4.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Spear, Dahl, Solon, Frederick and Samuelson introduced—

S.F. No. 50: 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; establishing an education, research, and recovery fund; appropriating money; amending Minnesota Statutes 1988, sections 47.208, subdivision 1; 82.17, subdivision 4; and 82.18; proposing coding

for new law in Minnesota Statutes, chapters 65A and 279; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1988, section 82.175.

Referred to the Committee on Commerce.

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

S.F. No. 51: A bill for an act relating to crimes; restitution; revising current procedures relating to the ordering and collection of restitution; amending Minnesota Statutes 1988, sections 260.185, subdivisions 1 and 3a; 609.135, subdivision 1a; 611A.04, subdivisions 1 and 2; and 611A.045.

Referred to the Committee on Judiciary.

Messrs. Spear, Purfeerst, Novak and DeCramer introduced—

S.F. No. 52: A bill for an act relating to drivers' licenses; traffic safety; requiring completion of motorcycle safety course before two-wheeled vehicle endorsement is granted; amending Minnesota Statutes 1988, section 169.974, subdivision 2.

Referred to the Committee on Transportation.

Ms. Reichgott introduced—

S.F. No. 53: A bill for an act relating to examiners of title; increasing number of deputy examiners of title in fourth judicial district; amending Minnesota Statutes 1988, section 508.12, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Storm introduced—

S.F. No. 54: A bill for an act relating to the city of Edina; authorizing the city to operate a public transit system and to acquire necessary equipment, land, and interests in land; permitting the establishment of a special service district in the city; providing taxing and other authority; providing that the city and the housing and redevelopment authority need not require competitive bidding and bonds in connection with certain redevelopment projects.

Referred to the Committee on Local and Urban Government.

Ms. Reichgott, Messrs. Spear, Luther and Marty introduced—

S.F. No. 55: A bill for an act relating to employment; protective agents; prohibiting employers to hire as a protective agent a person convicted of certain crimes; disqualifying persons convicted of criminal sexual conduct from holding a license to operate a private detective or protective agent service; amending Minnesota Statutes 1988, sections 326.336, subdivision 1; 326.3381, subdivision 3, and by adding a subdivision; and 364.09.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 56: A bill for an act relating to retirement; extending access to the combined service annuity provision for certain former members of the Duluth police pension association.

Referred to the Committee on Governmental Operations.

Mr. Diessner and Ms. Piper introduced—

S.F. No. 57: A bill for an act relating to employment; regulating training allowances for on-the-job training programs for the structurally unemployed; amending Minnesota Statutes 1988, section 268.65, subdivision 4.

Referred to the Committee on Employment.

Messrs. Chmielewski and Samuelson introduced—

S.F. No. 58: A bill for an act relating to human services; imposing a moratorium on discharges of persons with mental retardation from regional treatment centers; establishing an advisory council on regional treatment centers; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Messrs. Diessner, Chmielewski, Ms. Piper, Mrs. Brataas and Mr. Gustafson introduced—

S.F. No. 59: 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 1988, chapter 176.

Referred to the Committee on Employment.

Mr. DeCramer introduced—

S.F. No. 60: A bill for an act relating to water; recodifying, clarifying, and relocating provisions relating to water law; amending Minnesota Statutes 1988, sections 9.071; 16B.62, subdivision 1; 18.191; 18B.07, subdivision 6; 40A.13, subdivision 1; 41B.039, subdivision 3; 84.083, by adding subdivisions; 84.91, subdivision 4; 84.911, subdivisions 5 and 6; 84.95, subdivision 2; 85.33, subdivision 3; 86A.05, subdivision 10; 88.43, subdivision 2; 93.335, subdivision 1; 94.343, subdivision 4; 97A.015, subdivision 41; 97A.071, subdivision 4; 97A.101, subdivision 2; 115.097, subdivision 2; 144.95, subdivision 4; 156A.10, subdivision 2; 161.28, subdivision 1; 163.17; 272.02, subdivisions 1 and 6; 273.19, subdivision 5; 295.44, subdivision 1; 357.021, subdivision 2; 375.471; 383A.602, subdivision 5; 383A.604, subdivision 1; 394.25, subdivision 2; 459.20; 462.357, subdivision 1; 465.20; 469.141, subdivision 4; 469.174, subdivision 19; 471.345, subdivision 3; 471.591, subdivision 1; 471.98, subdivision 2; 473.191, subdivision 2; 609.68; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A; 156A; and 375; proposing coding for new law as Minnesota Statutes, chapters 86B; 103A; 103B; 103C; 103D; 103E; 103F; and 103G; repealing Minnesota Statutes 1988, sections 40.01 to 40.45; 84.031; 84.032; and 84.158; 104.01 to 104.50; 105.37 to 105.81; 106A.005 to 106A.811; 110.13

to 110.72; 110B.01 to 110B.35; 112.34 to 112.89; 114.12 and 114.13; 114B.01 to 114B.07; 116C.41; 361.01 to 361.29; 378.01 to 378.57; 465.18; and 473.875 to 473.883.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller and Johnson, D.J. introduced—

S.F. No. 61: A bill for an act relating to taxation; making technical corrections and tax capacity rate changes to the property taxation of unmined iron ore; making technical corrections and clarifications to the corporate franchise tax; retroactively providing a corporate franchise tax modification for mining income or gains; clarifying the computation of mining occupation taxes; exempting S corporations from business activity report filing requirements; repealing an obsolete reference; amending Minnesota Statutes 1988, sections 273.1104, subdivision 2; 273.13, subdivision 31; 290.01, subdivisions 4a and 19d; 290.015, subdivisions 1, 2, 3, and 4; 290.092, subdivision 4a; 290.191, subdivisions 6 and 11; 290.371; 298.01, subdivisions 3 and 4, and by adding subdivisions; and Laws 1988, chapter 719, article 2, section 57; repealing Minnesota Statutes 1988, sections 52.22 and 273.1104, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller and Johnson, D.J. introduced—

S.F. No. 62: A bill for an act relating to taxation; making technical corrections and clarifications to individual income and corporate franchise taxes; updating references to the Internal Revenue Code; imposing a tax and providing for withholding of certain payments to nonresidents; requiring surety payment by out-of-state contractors; amending Minnesota Statutes 1988, sections 290.01, subdivisions 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 19f; 290.06, subdivision 22; 290.067, subdivision 1; 290.0802, subdivision 2; 290.095, subdivision 9; 290.17, subdivision 1; 290.92, by adding subdivisions; and 291.005, subdivision 1; proposing coding for new law in chapter 290; repealing Minnesota Statutes 1988, section 290.01, subdivision 6a.

Referred to the Committee on Taxes and Tax Laws.

### MEMBERS EXCUSED

Messrs. Berg, Bertram and Solon were excused from the Session of today.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, January 12, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FOURTH DAY

St. Paul, Minnesota, Thursday, January 12, 1989

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

Prayer was offered by the Chaplain, Rev. William H. Kelvington.

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

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

Messrs. Pehler, Purfeerst, Renneke and Stumpf were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

June 14, 1988

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Hazardous Substance Injury Compensation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

John Phillips, 5604 Grand Ave. S., Minneapolis, Hennepin County has been appointed by me, effective June 14, 1988, for a term expiring the

first Monday in January, 1989.

(Referred to the Committee on Judiciary.)

July 5, 1988

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment as Chief Administrative Law Judge of the State Office of Administrative Hearings is hereby respectfully submitted to the Senate for confirmation as required by law:

William Brown, 3136 Park Overlook Dr., Shoreview, Ramsey County, has been appointed by me, effective July 5, 1988, for a term expiring June 30, 1994.

(Referred to the Committee on Governmental Operations.)

August 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:

Andrea Schmidt, 561 Frenn Ave., Red Wing, Goodhue County, has been appointed by me, effective August 6, 1988, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

September 8, 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:

Allan Routh, 415 S. Cedar, Owatonna, Steele County, has been appointed by me, effective September 7, 1988, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Agriculture and Rural Development.)

September 8, 1988

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:



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

Richard Faricy, 2211 St. Clair Ave., St. Paul, Ramsey County, has been appointed by me, effective September 7, 1988, for a term expiring the first Monday in January, 1990.

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

October 3, 1988

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Kenneth Peterson, 443 Lafayette Rd., St. Paul, Ramsey County, has been appointed by me, effective October 3, 1988, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Employment.)

October 10, 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:

Charlotte Anderson, 3913 Oakland Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective October 10, 1988, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Judiciary.)

January 3, 1989

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 January 3, 1989, for a term expiring the first Monday in January, 1995.

(Referred to the Committee on Employment.)

Sincerely,  
Rudy Perpich, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

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

House Concurrent Resolution No. 1: A House concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 9, 1989

Mr. Moe, R.D. moved that House Concurrent Resolution No. 1 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House of Representatives of the State of Minnesota has elected the following officer:

Monsignor James D. Habiger, Chaplain

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 9, 1989

### REPORTS OF COMMITTEES

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

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

S.F. No. 26: A bill for an act relating to courts; reenacting the statutory provision authorizing six member juries in nonfelony cases; reenacting Minnesota Statutes 1988, section 593.01, subdivision 1.

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

Page 1, delete line 11 and insert:

*"Section 1 is retroactive to November 22, 1988, and applies to crimes committed on or after that date."*

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

### SECOND READING OF SENATE BILLS

S.F. No. 26 was read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Marty moved that the name of Mr. Peterson, R.W. be added as a co-author to S.F. No. 5. The motion prevailed.

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

Mr. Dahl moved that the name of Messrs. Luther and Marty be added as co-authors to S.F. No. 10. The motion prevailed.

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

Mr. Dahl moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 24. The motion prevailed.

Mr. Davis moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 29. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Davis be added as a co-author to S.F. No. 37. The motion prevailed.

Mr. Bertram moved that the name of Mr. Lessard be added as a co-author to S.F. No. 41. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Davis be added as a co-author to S.F. No. 46. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Merriam be added as a co-author to S.F. No. 47. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Davis be added as a co-author to S.F. No. 48. The motion prevailed.

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

Mr. Chmielewski moved that the name of Mr. Larson be added as a co-author to S.F. No. 58. The motion prevailed.

Mr. DeCramer moved that the names of Messrs. Davis, Dahl, Bernhagen and Lessard be added as co-authors to S.F. No. 60. The motion prevailed.

Ms. Reichgott introduced—

Senate Resolution No. 22: A Senate resolution congratulating the Technology Learning Campus, Robbinsdale, for being selected as an outstanding school by the United States Department of Education.

Referred to the Committee on Rules and Administration.

Ms. Reichgott introduced—

Senate Resolution No. 23: A Senate resolution congratulating New Hope Elementary School for being selected as an outstanding school by the United States Department of Education.

Referred to the Committee on Rules and Administration.

Mr. Beckman introduced—

Senate Resolution No. 24: A Senate resolution congratulating the Cardinals Girls Cross Country team from Fairmont High School for winning the 1988 Class AA State High School Cross Country Championship.

Referred to the Committee on Rules and Administration.

Mr. Beckman introduced—

Senate Resolution No. 25: A Senate resolution congratulating the Warriors Girls Volleyball team from South Central High School for placing second in the 1988 Class A State High School Volleyball Championship.

Referred to the Committee on Rules and Administration.

Ms. Berglin introduced—

Senate Resolution No. 26: A Senate resolution commemorating the life and work of Dr. Martin Luther King, Jr.

WHEREAS, January 15 marks the anniversary of the birth of Dr. Martin Luther King, Jr.; and

WHEREAS, his life was devoted to the elimination of segregation and prejudice against his people; and

WHEREAS, he sought to fulfill his goals exclusively by nonviolent means; and

WHEREAS, his life and career were ended by assassination; and

WHEREAS, the actions and efforts of Dr. Martin Luther King, Jr. have served as an inspiration; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it commemorates the life of Dr. Martin Luther King, Jr. It recognizes the great achievements in human and civil rights that were accomplished, in great part, through his personal efforts.

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 representatives of an appropriate group organizing public commemorations of the birth of Dr. Martin Luther King, Jr.

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. 27: 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:

The miles traveled by members of the Senate for the 76th Legislature in each round trip going to and returning from the Capitol to their places of residence are as follows:

MEMBER	MILEAGE
ADKINS, Betty A. ....	100
ANDERSON, Don ....	351
BECKMAN, Tracy L. ....	264
BELANGER, William V., Jr. ....	46
BENSON, Duane D. ....	238
BERG, Charles A. ....	370
BERGLIN, Linda ....	19
BERNHAGEN, John ....	140
BERTRAM, Joe, Sr. ....	218

BRANDL, John E. ....	24
BRATAAS, Nancy .....	160
CHMIELEWSKI, Florian .....	210
COHEN, Richard L. ....	0
DAHL, Gregory L. ....	49
DAVIS, Charles R. ....	130
DECKER, Bob .....	484
DeCRAMER, Gary M. ....	336
DICKLICH, Ronald R. ....	390
DIESSNER, A.W. "Bill" .....	44
FRANK, Don .....	36
FREDERICK, Mel .....	140
FREDERICKSON, David J. ....	256
FREDERICKSON, Dennis R. ....	210
FREEMAN, Michael O. ....	25
GUSTAFSON, Jim .....	312
HUGHES, Jerome M. ....	10
JOHNSON, Dean E. ....	202
JOHNSON, Douglas J. ....	460
KNAAK, Fritz .....	22
KNUTSON, Howard A. ....	38
KROENING, Carl W. ....	30
LAIDIG, Gary W. ....	44
LANGSETH, Keith .....	472
LANTRY, Marilyn M. ....	11
LARSON, Cal .....	392
LESSARD, Bob .....	600
LUTHER, William P. ....	44
MARTY, John J. ....	25
McGOWAN, Patrick D. ....	50
McQUAID, Phyllis W. ....	28
MEHRKENS, Lyle G. ....	100
MERRIAM, Gene .....	42
METZEN, James .....	20
MOE, Donald M. ....	0
MOE, Roger D. ....	522
MORSE, Steven .....	256
NOVAK, Steven G. ....	30
OLSON, Gen .....	70
PARISEAU, Pat .....	63.5
PEHLER, James C. ....	140
PETERSON, Donna C. ....	14
PETERSON, Randolph W. ....	58
PIPER, Pat .....	200
POGEMILLER, Lawrence J. ....	12
PURFEERST, Clarence M. ....	116
RAMSTAD, Jim .....	44
REICHGOTT, Ember D. ....	42
RENNEKE, Earl W. ....	146
SAMUELSON, Don .....	270
SCHMITZ, Robert J. ....	100
SOLO, Sam G. ....	310
SPEAR, Allan H. ....	22
STORM, Donald A. ....	41
STUMPF, LeRoy A. ....	582

TAYLOR, Glen ..... 180  
 VICKERMAN, Jim ..... 336  
 WALDORE, Gene ..... 12

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 House Concurrent Resolution No. 1 be taken from the table. The motion prevailed.

House Concurrent Resolution No. 1: A House concurrent resolution relating to adjournment for more than three days.

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

(1) Upon their adjournments on January 12, 1989, the Senate and House of Representatives may each set its next day of meeting for January 19, 1989.

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

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. 28: A Senate resolution banning smoking in public areas of the Capitol under the jurisdiction of the Senate.

WHEREAS, Minnesota Statutes 1988, sections 144.411 to 144.417, the Minnesota Clean Indoor Air Act, generally prohibits smoking in public places and at public meetings “to protect the public health, comfort, and environment”; and

WHEREAS, Laws 1988, chapter 613, section 9, as amended by Laws 1988, chapter 686, article 1, section 44, codified as amended at Minnesota Statutes 1988, section 16B.24, subdivision 9, generally prohibits smoking in all buildings managed or leased by the commissioner of administration, not only “[t]o protect the public health, comfort, and environment,” but also “to protect the nonsmoker’s right to a smoke-free environment”; and

WHEREAS, most of the Capitol, but not areas of the Capitol under the jurisdiction of the Senate, are managed by the commissioner of administration and thus covered by the foregoing prohibition; and

WHEREAS, the Senate wishes to extend to its members and employees and to the public the same protection in areas under Senate jurisdiction that is by law accorded them in areas managed by the commissioner of administration; NOW THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that smoking is prohibited in areas of the Capitol under its jurisdiction, including the Senate Chamber and Retiring Room and galleries, hearing rooms, minor corridors and offices, except private offices excluded from the definition of “public place” in section 144.413, subdivision 2, and areas meeting the criteria set out in section 16B.24, subdivision 9, for designation as smoking areas.

BE IT FURTHER RESOLVED that the Secretary of the Senate shall administer this resolution and may designate smoking areas under jurisdiction of the Senate in accordance with section 16B.24, subdivision 9.

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

Ms. Reichgott introduced—

S.F. No. 63: A bill for an act relating to taxation; sales and use; exempting tree removal services; amending Minnesota Statutes 1988, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 64: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Carlton county.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 65: A bill for an act relating to economic development; authorizing local jurisdictions involved in economic development to participate in secondary markets; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Economic Development and Housing.

Mr. Dicklich introduced—

S.F. No. 66: 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 1988, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Cohen introduced—

S.F. No. 67: A bill for an act relating to retirement; authorizing purchase of prior service credit in the public employees retirement association by a certain Ramsey county court commissioner.

Referred to the Committee on Governmental Operations.

Mr. Cohen introduced—

S.F. No. 68: A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1988, sections 2.021; and 2.031, subdivision 1; and repealing Minnesota Statutes 1988, section 2.031, subdivision 2.

Referred to the Committee on Elections and Ethics.

Mr. Cohen introduced—

S.F. No. 69: A bill for an act relating to education; giving students the right to be absent from school because of religious beliefs; proposing coding for new law in Minnesota Statutes, chapters 120 and 135A.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 70: A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality of rights under the law for men and women.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 71: A bill for an act relating to taxation; providing for reinstatement of real estate tax petitions upon payment of tax; amending Minnesota Statutes 1988, section 278.03.

Referred to the Committee on Taxes and Tax Laws.

Mr. Cohen introduced—

S.F. No. 72: A bill for an act relating to privacy; limiting third party access to video tape rental and sale records and library records; authorizing aggrieved parties to bring a civil action to recover damages; proposing coding for new law as Minnesota Statutes, chapter 13B.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 73: 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.

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

S.F. No. 74: A resolution memorializing the Congress of the United States to designate February 1989 as America Loves Its Kids Month.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. Lantry, Messrs. Frank, Marty, Kroening and Pehler introduced—

S.F. No. 75: A bill for an act relating to labor; providing for conformity with federal minimum wage; amending Minnesota Statutes 1988, section 177.24, subdivision 1, and by adding a subdivision.

Referred to the Committee on Employment.

Mrs. Lantry, Ms. Piper, Messrs. Peterson, R.W.; Merriam and Knaak introduced—

S.F. No. 76: A bill for an act relating to employment; regulating electronic monitoring of employees; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.



Referred to the Committee on Employment.

Mmes. Lantry, Brataas, Messrs. Frank, Merriam and Langseth introduced—

S.F. No. 77: A bill for an act relating to traffic regulations; extending motorcycle helmet requirement to include all operators and passengers; amending Minnesota Statutes 1988, section 169.974, subdivisions 4 and 6.

Referred to the Committee on Transportation.

Messrs. Stumpf, Schmitz, Mrs. Adkins, Messrs. Renneke and Bernhagen introduced—

S.F. No. 78: A bill for an act relating to town roads; permitting town ordinances to regulate the burning of vegetation; amending Minnesota Statutes 1988, section 164.02, subdivision 1.

Referred to the Committee on Local and Urban Government.

Messrs. Merriam, Chmielewski, Waldorf, Mehrkens and Larson introduced—

S.F. No. 79: A bill for an act proposing an amendment to the Minnesota Constitution, providing for a unicameral legislature, changing article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing by statute for a unicameral legislature to consist of 135 members; amending Minnesota Statutes 1988, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Elections and Ethics.

Mr. Ramstad introduced—

S.F. No. 80: A bill for an act relating to commerce; regulating identification cards; requiring issuers to be licensed; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Knaak introduced—

S.F. No. 81: A bill for an act relating to education; requiring all school districts to form and join intermediate districts; proposing coding for new law in Minnesota Statutes, chapter 136D.

Referred to the Committee on Education.

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

S.F. No. 82: A bill for an act relating to workers' compensation; regulating the location for certain physical examinations; amending Minnesota Statutes 1988, section 176.155, subdivision 1.

Referred to the Committee on Employment.

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

S.F. No. 83: A resolution memorializing the Congress of the United States to restore full funding to the Veterans Administration Medical Centers.

Referred to the Committee on Veterans and Military Affairs.

Mr. Diessner introduced—

S.F. No. 84: A bill for an act relating to watercraft; providing for titling and licensing of watercraft; providing procedures for notification of liens on watercraft; providing for enforcement of liens on watercraft; amending Minnesota Statutes 1988, sections 336.9-402; and 336.9-411; proposing coding for new law as Minnesota Statutes, chapter 361A; repealing Minnesota Statutes 1988, sections 361.03; and 579.01 to 579.08.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 85: A bill for an act relating to regulation of trade practices; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 86: A bill for an act relating to game and fish; requiring a permit to possess dangerous nondomesticated wild animals; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl; Moe, R.D. and Davis introduced—

S.F. No. 87: A bill for an act relating to agriculture; providing a linked deposit program to allow eligible agricultural businesses and small businesses to obtain operating loans at reduced interest rates; requiring linked deposit agreements for eligible lending institutions to receive linked deposits; authorizing the state investment board to purchase investments from eligible lending institutions; imposing a penalty; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Mr. Dicklich introduced—

S.F. No. 88: A bill for an act relating to tax-forfeited lands; authorizing St. Louis county to sell certain tax-forfeited lands adjacent to public waters by private sale.

Referred to the Committee on Environment and Natural Resources.

Mr. Frank introduced—

S.F. No. 89: A bill for an act relating to ethics; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; and discontinuing the state ethical practices board responsibility for developing and furnishing certain forms; amending Minnesota Statutes 1988, sections 10A.04, subdivision 2; 10A.275; and 383B.055, subdivisions 1 and 2.

Referred to the Committee on Elections and Ethics.

Messrs. Metzen and Vickerman introduced—

S.F. No. 90: A bill for an act relating to crimes; providing for life imprisonment without parole for persons convicted of premeditated murder or intentional homicide in the course of committing a drug offense; expanding the crime of first degree murder to include drug-related homicides; eliminating juvenile court jurisdiction over minors 14 years old and older accused of murder or manslaughter; increasing penalties and imposing mandatory minimum sentences for certain violent crimes; prohibiting waiver of certain mandatory minimum sentences; amending Minnesota Statutes 1988, sections 152.15; 244.05, subdivision 4; 260.015, subdivision 5; 260.111, by adding a subdivision; 260.125, subdivision 3, and by adding a subdivision; 609.11, subdivision 7; 609.185; 609.19; 609.195; 609.20; 609.221; 609.223; 609.224, subdivision 2; 609.255, subdivision 3; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; and 609.377; repealing Minnesota Statutes 1988, section 609.11, subdivision 8.

Referred to the Committee on Judiciary.

Ms. Berglin, Messrs. Spear and Hughes introduced—

S.F. No. 91: A bill for an act relating to human services; authorizing the commissioner of human services to award a grant to a statewide parent self-help child abuse prevention organization; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Moe, R.D.; DeCramer; Davis; Merriam and Taylor introduced—

S.F. No. 92: A bill for an act relating to agriculture; appropriating funds for the agricultural interpretive center.

Referred to the Committee on Finance.

Mr. Stumpf introduced—

S.F. No. 93: A bill for an act relating to taxation; sales; exempting the bargain aspect of employer provided meals from taxation; amending Minnesota Statutes 1988, section 297A.01, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Marty, Luther, Ms. Peterson, D.C. and Mr. Spear introduced—

S.F. No. 94: A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

Referred to the Committee on Commerce.

Messrs. Lessard; Moe, R.D.; Merriam; Benson and Peterson, R.W. introduced—

S.F. No. 95: A bill for an act relating to environment; requiring counties to provide an opportunity to recycle; requiring transportation of recyclable materials to processing and markets; requiring haulers of solid waste and

recyclable materials to be licensed by local governments; requiring a charge for solid waste collection on a volume basis; providing financial assistance to counties for collection, transportation, processing, handling, and secondary market development of recyclables; imposing fees for land disposal of solid waste; assessing recycling fees to property owners based on generation of solid waste; developing a recycling and waste reduction program for use in schools; establishing a recycling account; requiring public agency purchase of recycled materials; reviewing barriers to recycling in public buildings; prohibiting incineration and land disposal of recyclable materials; prioritizing incineration and land disposal of waste; authorizing local governments to prohibit and remove an unauthorized deposit of solid waste; providing a plan for processing and disposal of solid waste problem materials; appropriating money; amending Minnesota Statutes 1988, sections 16B.61, by adding a subdivision; 115A.919; 115A.95; 368.01, subdivision 14; 375.19, by adding a subdivision; and 412.221, subdivision 22; proposing coding for new law in Minnesota Statutes, chapters 16B and 115A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Benson, Morse and Merriam introduced—

S.F. No. 96: A bill for an act relating to game and fish; selection process for wild turkey license holders; amending Minnesota Statutes 1988, section 97A.435, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Marty, Luther and Ms. Peterson, D.C. introduced—

S.F. No. 97: A bill for an act relating to health; prohibiting billboard advertising of tobacco products; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Commerce.

Messrs. Hughes, Merriam, Ms. Reichgott, Mr. Beckman and Ms. Olson introduced—

S.F. No. 98: A bill for an act relating to education; establishing a basic revenue formula allowance for fiscal years 1990 and 1991; revising the training and experience revenue formula; amending Minnesota Statutes 1988, section 124A.22, subdivisions 2 and 4.

Referred to the Committee on Education.

Mr. Johnson, D.J. introduced—

S.F. No. 99: A bill for an act relating to the financing of local government; providing for computation of debt limits as a percentage of market value; adjusting other debt limits for the conversion to tax capacities; adjusting disparity reduction aid in certain cases; making technical corrections in 1988 tax increment financing law; amending Minnesota Statutes 1988, sections 124.43, subdivision 1; 275.08, by adding a subdivision; 410.32; 412.301; 469.177, subdivision 1a; 475.53, subdivisions 1, 5, and by adding a subdivision; Laws 1988, chapter 719, article 12, section 30.

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, January 19, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FIFTH DAY

St. Paul, Minnesota, Thursday, January 19, 1989

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

Prayer was offered by the Chaplain, Rev. M.E. Sandness.

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

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

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. Berg, Dicklich and Freeman were excused from the Session of today. Mr. Novak was excused from the Session of today at 2:15 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 reports pertaining to appointments. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 99: A bill for an act relating to the financing of local government; providing for computation of debt limits as a percentage of market value; adjusting other debt limits for the conversion to tax capacities; adjusting disparity reduction aid in certain cases; making technical corrections in 1988 tax increment financing law; amending Minnesota Statutes 1988, sections 124.43, subdivision 1; 275.08, by adding a subdivision; 410.32; 412.301; 469.177, subdivision 1a; 475.53, subdivisions 1, 5, and by adding a subdivision; Laws 1988, chapter 719, article 12, section 30.

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

Page 4, line 18, delete "*cerfity*" and insert "*certify*"

Page 7, line 11, delete "*12*" and insert "*8.2*"

Page 7, line 13, after "*capacity*" insert "*and must be multiplied by 10.2 to determine the applicable percentage or proportion of net tax capacity*"

Page 8, after line 1, insert:

"Sec. 10. [EXCEPTION TO PRIOR PLANNED IMPROVEMENT AMENDMENT.]

*Notwithstanding Laws 1988, chapter 719, article 12, section 22, if a city granted a site permit or building permit on September 8, 1988, with the intent of forming a tax increment district within three months after that date, whether or not the district was formed within that three-month period, then the original gross tax capacity of the tax increment district which is formed by the city and which includes the parcel or parcels to which the permit relates shall not be increased by the gross tax capacity upon completion of the improvements constructed pursuant to the permit."*

Page 8, line 3, delete "*and*" and after "*8*" insert "*, and 10*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "*law*" insert "*and providing an exception to one of its provisions*"

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 the following appointment as reported in the Journal for January 9, 1989:

DEPARTMENT OF REVENUE  
COMMISSIONER

John James

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. Spear from the Committee on Judiciary, to which were referred the following appointments as reported in the Journal for January 9, 1989:

BOARD ON JUDICIAL STANDARDS

Edward Matonich  
Janna Merrick  
Lawrence Redmond  
Raul Salazar

HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD

David R. Miller

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. Spear from the Committee on Judiciary, to which were referred the following appointments as reported in the Journal for January 12, 1989:

**BOARD ON JUDICIAL STANDARDS**

Charlotte Anderson

**HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD**

John Phillips

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 and Military Affairs, to which was referred

S.F. No. 83: A resolution memorializing the Congress of the United States to restore full funding to the Veterans Administration Medical Centers.

Reports the same back with the recommendation that the resolution do pass and be placed on the Consent Calendar. Report adopted.

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 43: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1988, 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.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 99 and 83 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Lessard moved that the name of Mr. Knaak be added as a co-author to S.F. No. 7. The motion prevailed.

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

Mr. Bertram moved that the name of Mr. Anderson be added as a co-author to S.F. No. 42. The motion prevailed.

Mr. Cohen moved that the name of Mr. Frank be added as a co-author to S.F. No. 68. The motion prevailed.

Mr. Cohen moved that the names of Mr. Spear and Ms. Piper be added as co-authors to S.F. No. 69. The motion prevailed.

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



Mr. Stumpf moved that the name of Mr. Diessner be added as a co-author to S.F. No. 82. The motion prevailed.

Mr. Bertram moved that the name of Mr. Dahl be added as a co-author to S.F. No. 83. The motion prevailed.

Mr. Dahl moved that the name of Mr. Beckman be added as a co-author to S.F. No. 87. The motion prevailed.

Mr. Metzen moved that the names of Messrs. Dahl and Beckman be added as co-authors to S.F. No. 90. The motion prevailed.

Mr. Stumpf moved that the names of Messrs. Solon and Pogemiller be added as co-authors to S.F. No. 93. The motion prevailed.

Mr. Marty moved that the name of Mr. Dahl be added as a co-author to S.F. No. 97. The motion prevailed.

Ms. Berglin moved that the name of Mr. Pogemiller be added as a co-author to Senate Resolution No. 26. The motion prevailed.

Messrs. Bertram and Pehler introduced—

Senate Resolution No. 29: A Senate resolution commemorating the life and work of former Senator and Representative Jack Kleinbaum.

Referred to the Committee on Rules and Administration.

Messrs. Dahl and Novak introduced—

Senate Resolution No. 30: A Senate resolution congratulating the Blaine High School Bengals on winning the 1988 State High School Class AA Football Championship.

Referred to the Committee on Rules and Administration.

## **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Frank, Mrs. Lantry and Mr. Beckman introduced—

S.F. No. 100: A bill for an act relating to transportation; providing for strength, width, clearance, and safety standards for bridges; amending Minnesota Statutes 1988, section 165.03, subdivision 1.

Referred to the Committee on Transportation.

Mrs. Adkins introduced—

S.F. No. 101: A bill for an act relating to human services; clarifying definition of community social services; requiring the commissioner to coordinate application procedures for various social services grants; amending Minnesota Statutes 1988, sections 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivision 1; and repealing Minnesota Statutes 1988, section 256E.08, subdivision 9.

Referred to the Committee on Health and Human Services.

Mr. Stumpf introduced—

S.F. No. 102: A bill for an act relating to state lands; authorizing the sale of certain state land in Lake of the Woods county; amending Laws 1986, chapter 417, section 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 103: A bill for an act relating to public safety; regulating boiler operation and inspections; amending Minnesota Statutes 1988, sections 183.42; and 183.45.

Referred to the Committee on Employment.

Messrs. Beckman and Davis introduced—

S.F. No. 104: A bill for an act relating to agriculture; making changes in the rural finance authority loan program; amending Minnesota Statutes 1988, sections 41B.02, subdivisions 12, 15, and 18; 41B.03, subdivision 3, and by adding a subdivision; 41B.039, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Merriam and Samuelson introduced—

S.F. No. 105: A bill for an act relating to appropriations; requiring recommendations of the legislative advisory commission to be made at a meeting of the commission except in certain circumstances; amending Minnesota Statutes 1988, section 3.30, subdivisions 1 and 2.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 106: A bill for an act relating to human services; requiring a 60-day waiting period for welfare eligibility for new state residents; proposing coding for new law in Minnesota Statutes, chapters 256, 256B, and 256D.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 107: A bill for an act relating to unemployment compensation; providing for when benefits are charged certain employers; amending Minnesota Statutes 1988, section 268.06, subdivision 5.

Referred to the Committee on Employment.

Mr. Bertram introduced—

S.F. No. 108: A bill for an act relating to natural resources; authorizing fees for special hunts; amending Minnesota Statutes 1988, section 97A.401, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Mr. Diessner, Ms. Piper and Mrs. Lantry introduced—

S.F. No. 109: A bill for an act relating to employment; requiring breaks during the work day; amending Minnesota Statutes 1988, sections 177.32, subdivision 1; and 177.33; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Employment.

Mr. Diessner introduced—

S.F. No. 110: A bill for an act relating to waters and watercraft safety; changing certain registration fees; amending Minnesota Statutes 1988, section 361.03, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Messrs. Larson, Gustafson, McGowan, Anderson and Lessard introduced—

S.F. No. 111: A bill for an act relating to workers' compensation; regulating premiums paid by employers; regulating insurer profits; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 79.

Referred to the Committee on Employment.

Mr. Frank and Ms. Piper introduced—

S.F. No. 112: A bill for an act relating to vocational rehabilitation; changing term "extended employment plan participants" to "workers"; amending Minnesota Statutes 1988, section 129A.08, subdivision 4.

Referred to the Committee on Employment.

Mr. Frank and Ms. Piper introduced—

S.F. No. 113: A bill for an act relating to vocational rehabilitation; requiring that 51 percent of the members of the board of directors of centers for independent living are persons with disabilities; changing the membership of the Minnesota council for the blind; amending Minnesota Statutes 1988, sections 129A.01, subdivision 9; and 248.10, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Bertram and Pehler introduced—

S.F. No. 114: A bill for an act relating to the town of St. Augusta; authorizing the establishment of a detached banking facility under certain conditions.

Referred to the Committee on Commerce.

Messrs. Bertram, Samuelson and Dahl introduced—

S.F. No. 115: A bill for an act relating to the military; requiring the adjutant general to furnish flags for certain deceased members of the national guard regardless of their number of years of service; amending Minnesota

Statutes 1988, section 192.381.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Bertram and Morse introduced—

S.F. No. 116: A bill for an act relating to taxation; motor vehicle excise; exempting purchase or use of a motor vehicle by a political subdivision or a veteran's organization for certain purposes; amending Minnesota Statutes 1988, section 297B.03.

Referred to the Committee on Transportation.

Messrs. Vickerman, Samuelson, Chmielewski and Ms. Piper introduced—

S.F. No. 117: A bill for an act relating to human services; allowing case managers or the commissioner to carry out screening for home and community-based services; allowing counties to contract for guardianship services in screening for services; amending Minnesota Statutes 1988, section 256B.092, subdivision 7.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 118: A bill for an act relating to traffic regulation; prohibiting the use of hand-held telephones while operating a motor vehicle; amending Minnesota Statutes 1988, section 169.471, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Schmitz, Mrs. Adkins, Messrs. Vickerman, Renneke and Mrs. Pariseau introduced—

S.F. No. 119: A bill for an act relating to local government; authorizing towns to establish subordinate service districts; proposing coding for new law as Minnesota Statutes, chapter 365B.

Referred to the Committee on Local and Urban Government.

Mrs. Adkins, Messrs. Schmitz, Vickerman, Renneke and Mrs. Pariseau introduced—

S.F. No. 120: A bill for an act relating to local government; granting powers to towns; setting certain procedures; amending Minnesota Statutes 1988, sections 366.01, subdivision 7; 471.193, subdivision 2; 471.345, subdivision 5a; and 505.09, subdivision 1; repealing Minnesota Statutes 1988, section 368.121.

Referred to the Committee on Local and Urban Government.

Mrs. Adkins, Messrs. Schmitz; Johnson, D.J.; Bernhagen and Mrs. Pariseau introduced—

S.F. No. 121: A bill for an act relating to towns; authorizing town boards to provide for the collection of unpaid service charges; proposing coding for new law in Minnesota Statutes, chapter 366.

Referred to the Committee on Local and Urban Government.

Mr. Brandl introduced—

S.F. No. 122: A bill for an act relating to the department of revenue; recodifying information and disclosure provisions to increase uniformity of treatment and comply with the data privacy act; amending Minnesota Statutes 1988, sections 60A.17, subdivision 20; 82.27, subdivision 7; 147.091, subdivision 7; 148.10, subdivision 5; 148B.06, subdivision 3; 150A.08, subdivision 9; 171.31; 176.186; 176.231, subdivision 9; 256.978; 270.052; 270.064; 270.66, subdivision 3; 270.72, subdivision 4; 270.73, subdivision 1; 270A.11; 290.081; 290.174; 290.371, subdivision 5; 290.50, subdivision 6; 290.523, subdivision 1; 290.91; 290.92, subdivisions 5a, 17, and 26; 290A.112, subdivision 1; 297A.07; 326.20, subdivision 4; and 469.173, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 270B; repealing Minnesota Statutes 1988, sections 290.05, subdivision 7; 290.61; 290A.17; 291.48; and 297A.43.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.J.; Schmitz; Meses. McQuaid, Adkins and Ms. Olson introduced—

S.F. No. 123: A bill for an act relating to state government; providing for the establishment of an audit guide task force by the state auditor; amending Minnesota Statutes 1988, section 6.65.

Referred to the Committee on Governmental Operations.

Messrs. Vickerman and Frank introduced—

S.F. No. 124: A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; setting fees; imposing a penalty; amending Minnesota Statutes 1988, sections 84.92, by adding subdivisions; 84.922, subdivisions 1 and 5; 84.924, subdivision 3; 84.9256, subdivisions 1, 2, and 3; 84.928, subdivisions 1, 2, and 6; and 84.929; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1988, sections 84.922, subdivision 8; 84.925, subdivision 2; and 84.928, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

Messrs. Johnson, D.J.; Diessner; Morse; Pehler and Stumpf introduced—

S.F. No. 125: A bill for an act relating to taxation; exempting purchases of capital equipment for use in new or expanding facilities; amending Minnesota Statutes 1988, sections 297A.01, subdivision 16; 297A.02, subdivision 2; 297A.15, subdivision 5; and 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Diessner, Bertram, Ms. Piper, Messrs. Cohen and Ramstad introduced—

S.F. No. 126: A bill for an act relating to traffic regulations; providing for suspension of driver's license of person failing to appear in court following verbal promise to appear; amending Minnesota Statutes, section 169.92.

Referred to the Committee on Transportation.

Messrs. Frederick, McGowan, Renneke, Decker and Mrs. Pariseau introduced—

S.F. No. 127: A bill for an act relating to transportation; allocating proceeds of motor vehicle excise tax; amending Minnesota Statutes 1988, section 297B.09.

Referred to the Committee on Transportation.

Mr. Metzen introduced—

S.F. No. 128: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1988, section 197.23.

Referred to the Committee on Veterans and Military Affairs.

Mrs. McQuaid introduced—

S.F. No. 129: A bill for an act relating to taxation; sales and use; exempting insurance investigation services; amending Minnesota Statutes 1988, section 297A.01, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Ms. Reichgott, Mr. Pogemiller, Ms. Piper and Mr. Marty introduced—

S.F. No. 130: A bill for an act relating to human rights; providing that failure to implement a comparable worth plan is an unfair discriminatory practice; amending Minnesota Statutes 1988, section 363.01, subdivision 9.

Referred to the Committee on Judiciary.

Messrs. Schmitz, Chmięlewski, Solon, Metzen and Mrs. McQuaid introduced—

S.F. No. 131: A bill for an act relating to occupations and professions; providing an exemption from the continuing education requirement for real estate brokers and salespersons; amending Minnesota Statutes 1988, section 82.22, subdivision 13.

Referred to the Committee on Commerce.

Messrs. Luther, Knaak, Freeman, Ms. Reichgott and Mr. Cohen introduced—

S.F. No. 132: A bill for an act relating to certain commercial transactions; adopting an article of the uniform commercial code that governs leases; amending Minnesota Statutes 1986, section 336.1-201; proposing coding for new law in Minnesota Statutes, chapter 336.

Referred to the Committee on Judiciary.

Messrs. Frank, Bertram and Ms. Piper introduced—

S.F. No. 133: A bill for an act relating to statutes; providing free copies of Minnesota Statutes to public utilities commission; amending Minnesota Statutes 1988, section 3C.12, subdivision 2.

Referred to the Committee on Public Utilities and Energy.

Messrs. Frank, Bertram and Ms. Piper introduced—

S.F. No. 134: A bill for an act relating to government data practices; authorizing release of certain data to state committee of blind vendors; amending Minnesota Statutes 1988, section 13.791, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Johnson, D.E. introduced—

S.F. No. 135: A bill for an act relating to local government; creating the Kandiyohi county rural development finance authority; authorizing the establishment of a development and redevelopment program and the authorization of powers for it.

Referred to the Committee on Agriculture and Rural Development.

Mr. Johnson, D.E. introduced—

S.F. No. 136: A bill for an act relating to retirement; authorizing certain members of the Minnesota state retirement system to purchase service credit for a period of authorized educational leave.

Referred to the Committee on Governmental Operations.

Mr. Johnson, D.E. introduced—

S.F. No. 137: 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. Hughes; Peterson, R.W.; Pehler; Meses. Reichgott and Olson introduced—

S.F. No. 138: A bill for an act relating to education; providing for the Minnesota career teacher act; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Mr. Spear introduced—

S.F. No. 139: A bill for an act relating to liquor; increasing age for provisional driver's license to 21 years; providing for fees; providing for license suspension for minors misrepresenting their age for purposes of purchasing alcoholic beverages; providing penalty for misuse of Minnesota identification card; amending Minnesota Statutes 1988, sections 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivision 1; 171.171; 171.22; and 171.27.

Referred to the Committee on Judiciary.

Mr. Benson introduced—

S.F. No. 140: A bill for an act appropriating funds for the Chatfield Brass Band Music Lending Library.

Referred to the Committee on Finance.

Mr. Benson, Mrs. Pariseau, Messrs. McGowan, Storm and Bernhagen introduced—

S.F. No. 141: A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 1; providing that state spending may not increase at a greater rate than increases in the consumer price index.

Referred to the Committee on Finance.

Mr. Knaak introduced—

S.F. No. 142: A bill for an act relating to retirement; teachers retirement association; permitting purchases of prior services by certain employees for periods of leave.

Referred to the Committee on Governmental Operations.

Mr. DeCramer introduced—

S.F. No. 143: A bill for an act relating to public safety; appropriating fees charged by state patrol and capitol complex security division for escort and contracted security services; proposing coding for new law in Minnesota Statutes, chapters 299D and 299E.

Referred to the Committee on Transportation.

Mr. Stumpf introduced—

S.F. No. 144: A bill for an act relating to collection and dissemination of data; defining certain mineral data supplied to the commissioner of natural resources as nonpublic data; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

Messrs. Stumpf and DeCramer introduced—

S.F. No. 145: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and waysides; abolishing Little Elbow Lake State Park; repealing Minnesota Statutes 1988, section 85.012, subdivision 39.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pehler; Peterson, R.W.; Mses. Peterson, D.C.; Olson and Mr. Solon introduced—

S.F. No. 146: A bill for an act relating to education; authorizing the use of health and safety revenue to improve handicapped accessibility to school district facilities; amending Minnesota Statutes 1988, section 124.83, subdivisions 1, 2, and 6.

Referred to the Committee on Education.



Ms. Peterson, D.C.; Messrs. Pehler, Solon, Ms. Olson and Mr. DeCramer introduced—

S.F. No. 147: A bill for an act relating to education; authorizing transportation aid for transportation to a school within a different attendance area within a school district under certain circumstances; amending Minnesota Statutes 1988, section 124.223.

Referred to the Committee on Education.

Mr. Benson introduced—

S.F. No. 148: A bill for an act relating to education; authorizing the use of health and safety revenue to improve handicapped accessibility to school district facilities; amending Minnesota Statutes 1988, section 124.83, subdivisions 1, 2, and 6.

Referred to the Committee on Education.

Mr. Spear introduced—

S.F. No. 149: A bill for an act relating to education; authorizing the Minneapolis school district to pay health insurance premium subsidies more often than annually; amending Minnesota Statutes 1988, section 275.125, subdivision 6h.

Referred to the Committee on Education.

Mrs. Lantry and Mr. Lessard introduced—

S.F. No. 150: A bill for an act relating to gambling; establishing a state-operated lottery; establishing a department of gaming to supervise a state-operated lottery, pari-mutuel horse racing, and charitable gambling; transferring the duties of the charitable gambling control board and the Minnesota racing commission to this department; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15A.081, subdivision 1; 240.01, subdivisions 4, 9, and 10; 240.04; 240.28; 290.01, subdivision 19b; 290.61; 290.92, subdivision 27; 297A.25, by adding a subdivision; 349.12, subdivision 16; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 240 and 349; proposing coding for new law as Minnesota Statutes, chapters 240B and 349A; repealing Minnesota Statutes 1988, sections 240.02; 240.04, subdivisions 1, 1a, and 6; and 349.151.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Chmielewski introduced—

S.F. No. 151: A bill for an act relating to unemployment compensation; defining the term "wages"; amending Minnesota Statutes 1988, section 268.04, subdivision 25.

Referred to the Committee on Employment.

Messrs. Stumpf, Lessard and Novak introduced—

S.F. No. 152: 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.

Messrs. Waldorf; Moe, D.M.; Pogemiller; Morse and Renneke introduced—

S.F. No. 153: A bill for an act relating to retirement; providing lump sum payments to certain retired or disabled public employees or their surviving spouses; appropriating money.

Referred to the Committee on Governmental Operations.

Messrs. Dahl, Laidig and Ms. Olson introduced—

S.F. No. 154: A bill for an act relating to environment; eliminating the inventory of mixed municipal solid waste disposal sites; requiring the pollution control agency to develop a plan to provide incentives to volunteer sites; amending Minnesota Statutes 1988, sections 473.811, subdivision 1a; 473.823, subdivision 6; 473.831, subdivision 2; and 473.840, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1988, sections 473.149, subdivision 2b; 473.803, subdivision 1a; and 473.806.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Pogemiller and Belanger introduced—

S.F. No. 155: A bill for an act relating to crimes; prohibiting the intentional distribution of computer programs that are designed to destroy or modify computer software, computer data, or other property; imposing penalties; amending Minnesota Statutes 1988, sections 609.87, by adding subdivisions; and 609.88.

Referred to the Committee on Judiciary.

Mrs. Lantry and Mr. Moe, R.D. introduced—

S.F. No. 156: A bill for an act relating to gambling; authorizing the governor, the attorney general, the speaker of the house, and the majority leader of the senate to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on General Legislation and Public Gaming.

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

S.F. No. 157: A bill for an act relating to taxation; individual income; modifying computation of the dependent care credit; indexing the offset for inflation; amending Minnesota Statutes 1988, section 290.067, subdivision 2, and by adding subdivisions.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Adkins, Messrs. Fredrickson, D.J.; Schmitz; Renneke and Bernhagen introduced—

S.F. No. 158: A bill for an act relating to local government; describing relations between counties and towns for planning and zoning; amending

Minnesota Statutes 1988, section 394.33, subdivision 1.

Referred to the Committee on Local and Urban Government.

Messrs. Moe, R.D.; Benson; Schmitz; Purfeerst and Bernhagen introduced—

S.F. No. 159: A bill for an act relating to highways; providing for the apportionment of five percent of the net highway users tax distribution fund; providing for the distribution of the county turnback account; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; and 162.081, subdivision 1.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 160: A bill for an act relating to veterans; removing a limitation on veterans in the category of protected groups for the purpose of state employment; amending Minnesota Statutes 1988, section 43A.02, subdivision 33.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 161: A bill for an act relating to peace officers; providing benefits to good samaritans who assist peace officers; amending Minnesota Statutes 1988, section 176B.01, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 162: A bill for an act relating to peace officers; providing that certain first responders are peace officers for purposes of benefits if killed in the line of duty; amending Minnesota Statutes 1988, section 176B.01, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Frank and DeCramer introduced—

S.F. No. 163: A bill for an act relating to traffic regulations; regulating U-turns; providing for color and equipment requirements on school buses carrying ten or more persons; requiring flashing amber light of school bus to be activated at least 300 feet before stopping to load or unload school children; providing for bumper requirements on private passenger vehicles and rear-end protection for other vehicles; amending Minnesota Statutes 1988, sections 169.19, subdivision 2; 169.44, subdivisions 1a and 2; and 169.73.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 164: A bill for an act relating to workers' compensation; providing for certified questions to the workers' compensation court of appeals; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Employment.

Messrs. Merriam and Marty introduced—

S.F. No. 165: A bill for an act relating to taxation; providing for payment of refunds to certain purchasers of energy conservation equipment; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S.F. No. 166: A bill for an act relating to taxation; motor vehicle excise; changing the definition of purchase price for purposes of a transfer by gift; amending Minnesota Statutes 1988, section 297B.01, subdivision 8.

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.

Mr. Diessner and Ms. Berglin introduced—

S.F. No. 167: A bill for an act relating to human services; requiring recruitment of psychiatrists to work at regional treatment centers; establishing an office of medical director within the department of human services; requiring establishment of a regional treatment center medical staff; requiring an advisory committee; requiring a study; appropriating money; amending Minnesota Statutes 1988, section 246.015; proposing coding for new law in Minnesota Statutes, chapter 246.

Referred to the Committee on Health and Human Services.

Messrs. Diessner, Schmitz and Laidig introduced—

S.F. No. 168: A bill for an act relating to Washington county; permitting the county board to establish certain payment procedures.

Referred to the Committee on Local and Urban Government.

Messrs. Frederick, Ramstad, McGowan, Purfeerst and DeCramer introduced—

S.F. No. 169: A bill for an act relating to motor vehicles; allowing custodial parent of handicapped minor to obtain special license plates for the handicapped; amending Minnesota Statutes 1988, section 168.021, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Frederick, Benson, Decker, Renneke and Mrs. Pariseau introduced—

S.F. No. 170: 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.

Referred to the Committee on Transportation.

Messrs. Diessner; Laidig; Peterson, R.W. and Knaak introduced—

S.F. No. 171: A bill for an act relating to law libraries; permitting fees to be set annually; amending Minnesota Statutes 1988, section 140.422, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Diessner; Johnson, D.J.; Bertram; Chmielewski and Dicklich introduced—

S.F. No. 172: A bill for an act relating to negligence; providing immunity from liability for volunteer members of the National Ski Patrol System; amending Minnesota Statutes 1988, section 604.05, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Purfeerst introduced—

S.F. No. 173: A resolution memorializing the President and Congress of the United States to prevent the imposition of any additional federal excise tax on motor fuel in order to reduce the federal deficit.

Referred to the Committee on Transportation.

Mr. Diessner introduced—

S.F. No. 174: A bill for an act relating to taxation; extending the definition of capital equipment for purposes of the sales tax to include replacement equipment; exempting sales of capital equipment from the sales tax; imposing the sales tax on sales of new clothing; providing an income tax credit to offset the sales tax on sales of new clothing; appropriating money; amending Minnesota Statutes 1988, sections 290.06, by adding a subdivision; 297A.01, subdivision 16; 297A.02, subdivision 2; 297A.15, subdivision 5; 297A.25, subdivision 8, and by adding a subdivision; and 297A.257, subdivision 2b; repealing Minnesota Statutes 1988, section 297A.257, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 175: A bill for an act relating to taxation; reducing commercial-industrial property taxes and providing for state payment to local units of government for the revenue lost as a result of the reduction; appropriating money; amending Minnesota Statutes 1988, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Samuelson and Lessard introduced—

S.F. No. 176: A bill for an act relating to waters; prohibiting certain ice blocks upon the surface of frozen waters; proposing coding for new law in Minnesota Statutes, chapter 97C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Hughes, Pogemiller, Dahl, Mehrkens and Ms. Peterson, D.C. introduced—

S.F. No. 177: A bill for an act relating to education; expanding the uses of capital expenditure equipment revenue; amending Minnesota Statutes 1988, section 124.244, subdivision 4.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 178: A bill for an act relating to collection and dissemination of data; enacting the uniform information practices code; repealing the government data practices act; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 13B; repealing Minnesota Statutes 1988, sections 13.01 to 13.90.

Referred to the Committee on Judiciary.

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

S.F. No. 179: A bill for an act relating to health-care information; providing conditions for the disclosure of health-care information; enacting the Uniform Health-Care Information Act; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 143.

Referred to the Committee on Judiciary.

Mr. Beckman introduced—

S.F. No. 180: A bill for an act relating to the office of the secretary of state; establishing a procedure for contesting the registration of a corporation, limited partnership, or assumed name, or a trade or service mark with the secretary of state; providing that the office of the secretary of state is not liable for registrations; proposing coding for new law in Minnesota Statutes, chapter 5.

Referred to the Committee on Judiciary.

Mr. Pogemiller and Ms. Berglin introduced—

S.F. No. 181: A bill for an act relating to insurance; accident and health; requiring coverage for an electrolarynx in certain circumstances; amending Minnesota Statutes 1988, section 62E.06, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

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

S.F. No. 182: A bill for an act relating to agriculture; extending the farmer-lender mediation act; extending mortgage foreclosure relief provisions; amending provisions relating to the time period under which there is a rebuttable presumption that a sale is a violation of the right to receive an offer to buy agricultural land; amending Minnesota Statutes 1988, section 500.24, subdivision 6; and Laws 1983, chapter 215, section 16, as amended; and Laws 1986, chapter 398, article 1, section 18, as amended.

Referred to the Committee on Agriculture and Rural Development.

Ms. Reichgott introduced—

S.F. No. 183: A bill for an act relating to retirement; volunteer firefighters; excluding volunteer firefighters serving with the Robbinsdale fire department from the definition of "public employee"; providing for refunds.

Referred to the Committee on Governmental Operations.

Mr. Pehler introduced—

S.F. No. 184: A bill for an act relating to charitable organizations; regulating charitable solicitations and professional fund raisers; excluding certain religious organizations from registration; requiring a bond for professional fund raisers who have access to contributions; modifying disclosure requirements; authorizing the district court to redress violations of law; amending Minnesota Statutes 1988, sections 309.515, subdivision 2; 309.531, subdivision 2; 309.556; and 309.57, subdivision 1.

Referred to the Committee on Commerce.

Mr. Pehler introduced—

S.F. No. 185: A bill for an act relating to education; appropriating money to allow St. Cloud State University to provide additional police services for the campus and the southside area around the campus.

Referred to the Committee on Finance.

Mr. Chmielewski introduced—

S.F. No. 186: A bill for an act relating to workers' compensation; regulating insurers and certain self-insurers; appropriating money; amending Minnesota Statutes 1988, sections 62I.02, subdivision 1; 62I.07; 62I.21; 79.01, subdivision 1; 79.074, by adding subdivisions; 79.50; 79.59; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62I and 79; repealing Minnesota Statutes 1988, sections 79.51; 79.52, subdivisions 2 and 12; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.60; 79.61; and 79.62.

Referred to the Committee on Employment.

Messrs. Merriam, Frank, Mrs. McQuaid, Messrs. Morse and Storm introduced—

S.F. No. 187: A bill for an act relating to manufactured homes; providing for notice and first option to purchase a manufactured home park by the residents; proposing coding for new law in Minnesota Statutes, chapter 327C.

Referred to the Committee on Economic Development and Housing.

Messrs. Freeman, Belanger, Ms. Peterson, D.C. and Mr. Solon introduced—

S.F. No. 188: A bill for an act relating to commerce; requiring mortgage lenders and mortgage brokers to obtain a license from the commissioner of commerce; requiring certain disclosures by mortgage lenders and mortgage brokers; prohibiting certain practices by mortgage lenders and mortgage brokers; appropriating money; amending Minnesota Statutes 1988,

sections 82.17, subdivision 4; and 82.18; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1988, section 82.175.

Referred to the Committee on Commerce.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, January 23, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## SIXTH DAY

St. Paul, Minnesota, Monday, January 23, 1989

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

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

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

Adkins	Davis	Kroening	Moe, R.D.	Renneke
Anderson	Decker	Laidig	Morse	Samuelson
Beckman	DeCramer	Langseth	Novak	Schmitz
Belanger	Diessner	Lantry	Olson	Solon
Benson	Frederick	Larson	Pariseau	Spear
Berg	Frederickson, D.J.	Lessard	Pehler	Storm
Berglin	Frederickson, D.R.	Marty	Peterson, D.C.	Stumpf
Bernhagen	Freeman	McGowan	Peterson, R.W.	Taylor
Bertram	Hughes	McQuaid	Piper	Vickerman
Brandl	Johnson, D.J.	Mehrkens	Pogemiller	Waldorf
Cohen	Knaak	Merriam	Ramstad	
Dahl	Knutson	Moe, D.M.	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. Dicklich; Frank; Gustafson; Johnson, D.E.; Metzen and Purfeerst were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

May 31, 1988

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Carol A. Blomberg, Rt. 1, Box 95A, Nashwauk, Itasca County, has been appointed by me, effective January 6, 1986, for a term expiring the first

Monday in January, 1990.

(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 House File, herewith transmitted: H.F. No. 1.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 19, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 1: A bill for an act relating to courts; reenacting the statutory provision authorizing six member juries in nonfelony cases; reenacting Minnesota Statutes 1988, section 593.01, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 26, now on General Orders.

### MOTIONS AND RESOLUTIONS

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

Mr. Vickerman moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 48. The motion prevailed.

Mr. Bertram moved that the name of Mr. Lessard be added as a co-author to S.F. No. 106. The motion prevailed.

Mr. Benson moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Storm be added as chief author to S.F. No. 141. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Davis be added as a co-author to S.F. No. 145. The motion prevailed.

Mr. Benson moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 148. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Anderson be added as a co-author to S.F. No. 176. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Pehler be added as a co-author to S.F. No. 186. The motion prevailed.

Mr. Dahl moved that the name of Mr. Frank be added as a co-author to Senate Resolution No. 30. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 31: A Senate resolution commending James B. Lund for his many years of dedicated and effective service on behalf of the Veterans of Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Pehler introduced—

Senate Resolution No. 32: A Senate resolution thanking the St. Cloud Technical High School Orchestra for its performance at the State Capitol.

Referred to the Committee on Rules and Administration.

### CONSENT CALENDAR

S.F. No. 83: A resolution memorializing the Congress of the United States to restore full funding to the Veterans Administration Medical Centers.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the resolution 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. Chmielewski, Schmitz, Bernhagen, Frederick and Peterson, R.W. introduced—

S.F. No. 189: A bill for an act relating to transportation; requiring commissioner of transportation to fund and maintain existing informational highway signs; appropriating money; amending Minnesota Statutes 1988, sections 160.285, by adding a subdivision; 160.296, by adding a subdivision; 173.02, subdivision 1; 173.07, by adding a subdivision; and 173.13, subdivision 4.

Referred to the Committee on Transportation.

Mr. Luther introduced—

S.F. No. 190: A bill for an act relating to corporations; providing that the control share acquisition and business combination statutes apply to

certain corporations unless they elect not to be covered; clarifying application of the statutes; reducing the period of time that business combinations may be regulated from five years to three years; removing restrictions on business combinations if an interested shareholder acquires at least 90 percent of the voting shares; modifying requirements for the use of committees to determine whether a corporation should pursue certain legal remedies; providing that meeting notices do not have to be sent to shareholders when mail has been returned undeliverable; amending Minnesota Statutes 1988, sections 302A.011, subdivisions 41 and 49; 302A.243; 302A.435, subdivision 1; 302A.671, subdivision 1; and 302A.673, subdivisions 1 and 3.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 191: A bill for an act relating to the military; reducing from two years to one year the number of years the adjutant general of the Minnesota national guard is required to serve as a brigadier general before promotion to major general; amending Minnesota Statutes 1988, section 190.07.

Referred to the Committee on Veterans and Military Affairs.

Mr. Bertram introduced—

S.F. No. 192: A bill for an act relating to natural resources; increasing certain limits on security in lieu of bond for forestry development projects; amending Minnesota Statutes 1988, section 574.264, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Bertram and Pehler introduced—

S.F. No. 193: A bill for an act relating to education; requiring CPR instruction in secondary schools; requiring a CPR trained person at school sponsored activities on school grounds; amending Minnesota Statutes 1988, sections 123.38, by adding a subdivision; and 126.025, subdivision 1.

Referred to the Committee on Education.

Ms. Piper, Mr. Morse, Mrs. Adkins, Ms. Berglin and Mr. Anderson introduced—

S.F. No. 194: A bill for an act relating to human services; establishing new dates for payment rates for vendors of day training and habilitation services; imposing a requirement for variances from payment rates; allowing the commissioner to establish cost thresholds for community-based services for persons with mental retardation; amending Minnesota Statutes 1988, sections 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 256B.501, subdivisions 3 and 3g.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Mr. Vickerman, Ms. Peterson, D.C.; Mrs. Adkins and Mr. Storm introduced—

S.F. No. 195: A bill for an act relating to human services; giving subpoena power to the ombudsman for mental health and retardation; requiring reporting of death or serious injury; amending Minnesota Statutes 1988, sections

245.91, by adding a subdivision; and 245.94, subdivision 1, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Renneke introduced—

S.F. No. 196: A bill for an act relating to taxation; income; providing a subtraction for certain dependents; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Renneke introduced—

S.F. No. 197: A bill for an act relating to taxation; income; repealing the subtraction for elderly and disabled and providing a pension exclusion; amending Minnesota Statutes 1988, sections 290.01, subdivision 19b, and by adding a subdivision; 290.032, subdivision 2; and 424A.10, subdivision 4; repealing Minnesota Statutes 1988, section 290.0802.

Referred to the Committee on Taxes and Tax Laws.

Mr. Langseth introduced—

S.F. No. 198: 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.

Referred to the Committee on Transportation.

Mr. Johnson, D.J. introduced—

S.F. No. 199: A bill for an act relating to state land; authorizing sale of certain tax-forfeited land that borders public water in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon, Luther, Ms. Peterson, D.C. and Mr. Larson introduced—

S.F. No. 200: A bill for an act relating to insurance; regulating continuing insurance education; amending Minnesota Statutes 1988, section 60A.1701, subdivisions 1, 5, 7, 8, and 9; repealing Minnesota Rules, part 2725.0240.

Referred to the Committee on Commerce.

Mr. Davis introduced—

S.F. No. 201: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Messrs. Davis and Morse introduced—

S.F. No. 202: A bill for an act relating to well abandonment; authorizing demonstration projects for cost-sharing funds and technical assistance; determining susceptible groundwater recharge areas; appropriating money;

amending Minnesota Statutes 1988, section 40.036, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 40.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 203: A bill for an act relating to intoxicating liquor; authorizing an on-sale liquor license for the Minneapolis convention center; repealing Laws 1973, chapter 505.

Referred to the Committee on Commerce.

Messrs. Stumpf, Hughes and Luther introduced—

S.F. No. 204: A bill for an act relating to elections; providing for the removal of certain voter registration cards; amending Minnesota Statutes 1988, section 201.13.

Referred to the Committee on Elections and Ethics.

Messrs. Stumpf and Johnson, D.J. introduced—

S.F. No. 205: A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for use of radio equipment in the vehicles; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; exempting liquor used in law enforcement training; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; repealing the Minnesota unfair cigarette sales act; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.54; 168.011, by adding a subdivision; 168.012, subdivision 1, and by adding a subdivision; 270.06; 297.04, subdivision 9; 297.041, subdivisions 1, 2, and 4; 297.06, subdivision 3; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297C.02, subdivision 4; 297C.07; 299C.37, subdivision 1; 297D.13, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 325D.30; 325D.31; 325D.32; 325D.33; 325D.34; 325D.35; 325D.36; 325D.37; 325D.38; 325D.39; 325D.40; 325D.42; and 477A.018.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Belanger, Waldorf, Schmitz, Kroening and Knaak introduced—

S.F. No. 206: A bill for an act relating to state government; administrative procedures; regulating exempt rules; making certain technical changes; amending Minnesota Statutes 1988, section 14.40; proposing coding for

new law in Minnesota Statutes, chapter 14; repealing Minnesota Statutes 1988, sections 116.44, subdivision 1; 144A.10, subdivision 6a; 174.031, subdivision 2; 254B.03, subdivision 6; 254B.04, subdivision 2; 257.357; and 574.262, subdivision 3; Laws 1985, chapter 4, section 8; and Laws 1987, chapter 337, section 128.

Referred to the Committee on Governmental Operations.

Messrs. Ramstad and Benson introduced—

S.F. No. 207: A bill for an act relating to taxation; extending open space property tax treatment to certain recreational uses; amending Minnesota Statutes 1988, section 273.112, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dahl, Luther, Solon and Spear introduced—

S.F. No. 208: A bill for an act relating to commerce; prohibiting the sale of replica firearms; providing penalties; amending Minnesota Statutes 1988, section 325F81, subdivisions 1, 2, and 4.

Referred to the Committee on Commerce.

Mr. Chmielewski introduced—

S.F. No. 209: A bill for an act relating to retirement; public employees retirement association; adding employees of the Minnesota association of townships as members; amending Minnesota Statutes 1988, section 353.01, subdivision 2a.

Referred to the Committee on Governmental Operations.

Ms. Reichgott introduced—

S.F. No. 210: A bill for an act relating to real property; providing that purchaser's right to cancel applies to condominiums created before August 1, 1980; providing that lien on real estate added in expansion of flexible condominiums does not affect existing condominiums; empowering homeowner associations to foreclose assessment liens; amending Minnesota Statutes 1988, sections 515A.1-102; and 515A.2-111; proposing coding for new law as Minnesota Statutes, chapter 515B.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 211: A bill for an act relating to human services; excluding payments for exposure to Agent Orange from eligibility determination for general assistance; exempting causes of action for damages from exposure to Agent Orange from state agency liens and subrogation; amending Minnesota Statutes 1988, sections 256.015, by adding a subdivision; 256D.03, subdivisions 3 and 8; and 256D.08, subdivision 1.

Referred to the Committee on Health and Human Services.

Ms. Reichgott, Messrs. Langseth, Pogemiller, Ms. Peterson, D.C. and Mr. Benson introduced—

S.F. No. 212: A bill for an act relating to education; requiring annual testing by school districts and publication of school comparison reports; requiring the development of survey instruments and publication of uniform objective and subjective information; authorizing school districts and the state board to establish chartered schools; appropriating money; amending Minnesota Statutes 1988, sections 121.11, subdivision 8, and by adding a subdivision; 121.165; and 124A.036, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 121; 123; and 126.

Referred to the Committee on Education.

Ms. Reichgott, Mr. Luther, Ms. Peterson, D.C.; Messrs. Knaak and Merriam introduced—

S.F. No. 213: A bill for an act relating to crimes; prohibiting unauthorized access to computers; imposing penalties; amending Minnesota Statutes 1988, sections 609.531, subdivision 1; and 609.87, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

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

S.F. No. 214: A bill for an act relating to courts; creating a new judicial district; amending Minnesota Statutes 1988, section 2.722, subdivision 1.

Referred to the Committee on Judiciary.

Mrs. McQuaid introduced—

S.F. No. 215: A bill for an act relating to notaries public; increasing the period of time during which reappointments may be made; amending Minnesota Statutes 1988, section 359.02.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 216: A bill for an act relating to education; correcting, clarifying, repealing, and changing certain education statutes; amending Minnesota Statutes 1988, sections 120.062, subdivisions 1 and 12; 121.88, subdivision 10; 121.904, subdivision 4a; 121.912, subdivision 1; 123.36, subdivision 13; 123.705, subdivision 1; 124.155, subdivision 2; 124.214, subdivisions 2 and 3; 124.225, subdivisions 1, 4b, 7a, 7b, 8a, 8b, 8i, 8j, 8k, 8l, 10, and by adding a subdivision; 124.245, subdivision 6; 124.575, subdivision 1; 124A.24; 126.22, subdivisions 2 and 3; and 275.125, subdivisions 5b, 5c, 5e, and 9; repealing Minnesota Statutes 1988, sections 120.02, subdivisions 2, 3, 4, 5, 6, 8, 9, 12, and 18; 120.05, subdivision 1; 120.075; 120.0751; 120.0752; 120.13; 120.14; 120.15; 120.16; 120.77; 121.09; 121.11, subdivision 13; 121.12; 121.151; 121.19; 121.28; 121.35; 121.49, subdivision 1; 121.496, subdivision 1; 121.83; 121.84; 121.845; 121.85; 121.86; 121.882, subdivisions 6 and 10; 121.902, subdivision 2; 121.9121, subdivision 6; 122.86; 122.87; 122.88; 123.35, subdivisions



8a, 8b, and 8c; 123.3511; 123.3512; 123.39, subdivision 5; 123.581, subdivisions 1 and 6; 123.60; 123.601; 123.61; 123.68; 123.701; 123.744; 124.12, subdivision 1; 124.18, subdivisions 2 and 3; 124.2138, subdivisions 3 and 4; 124.225, subdivisions 8i and 8j; 124.496; 124.573, subdivision 2; 124A.27, subdivision 7; 125.02; 125.231, subdivision 3; 125.241, subdivision 3; 125.60, subdivision 7; 126.02; 126.025; 126.03; 126.05; 126.07; 126.10; 126.11; 126.268, subdivision 2; 126.39, subdivision 11; 126.52, subdivision 11; 126.70, subdivision 3; 126.80; 127.08; 129B.52, subdivision 3; and 275.128.

Referred to the Committee on Education.

Mr. Beckman introduced—

S.F. No. 217: 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.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, January 26, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTH DAY

St. Paul, Minnesota, Thursday, January 26, 1989

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

Prayer was offered by the Chaplain, Rev. Delton Krueger.

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

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

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, Bernhagen, Laidig, Ms. Peterson, D.C.; Messrs. Purfeerst and Waldorf were excused from the Session of today.

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

May 31, 1988

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointments to the Minnesota Veterans Homes Board of Directors are hereby respectfully submitted to the Senate for confirmation as required by law:

Harvey Charles Aaron, M.D., 325 Otis Ave., St. Paul, Ramsey County, has been appointed by me, effective May 24, 1988, for a term expiring the

first Monday in January, 1990.

Robert E. Hansen, 1136 Ivy Hill Dr., Mendota Heights, Dakota County, has been appointed by me, effective May 24, 1988, for a term expiring the first Monday in January, 1990.

Robert W. Reif, M.D., 2344 S. Shore Blvd., White Bear Lake, Ramsey County, has been appointed by me, effective May 24, 1988, for a term expiring the first Monday in January, 1991.

Michas Ohnstad, P.O. Box 308, North Branch, Chisago County, has been appointed by me, effective May 24, 1988, for a term expiring the first Monday in January, 1992.

Stephen J. O'Connor, R.R. 3, Box 28B, Spring Valley, Fillmore County, has been appointed by me, effective May 24, 1988, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Veterans and Military Affairs.)

May 31, 1988

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointments to the Minnesota Veterans Homes Board of Directors are hereby respectfully submitted to the Senate for confirmation as required by law:

Daniel Bolhouse, 1501 - 28th Ave. N.W., New Brighton, Ramsey County, has been appointed by me, effective May 24, 1988, for a term expiring the first Monday in January, 1991.

Emily Spensieri, 2331 - 3rd Ave. E., Hibbing, St. Louis County, has been appointed by me, effective May 24, 1988, for a term expiring the first Monday in January, 1992.

Pamela K. Barrows, 409 N. 4th St., Marshall, Lyon County, has been appointed by me, effective May 24, 1988, for a term expiring the first Monday in January, 1993.

James G. Sieben, 501 W. 11th St., Hastings, Dakota County, has been appointed by me, effective May 24, 1988, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Veterans and Military Affairs.)

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 File, herewith transmitted: H.F. No. 40.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 23, 1989.

### FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 40: A bill for an act relating to the financing of local government; providing for computation of debt limits as a percentage of market value; adjusting other debt limits for the conversion to tax capacities; adjusting disparity reduction aid in certain cases; making technical corrections in 1988 tax increment financing law and providing an exception to one of its provisions; amending Minnesota Statutes 1988, sections 124.43, subdivision 1; 275.08, by adding a subdivision; 366.095, subdivision 1; 410.32; 412.301; 469.177, subdivision 1a; 475.53, subdivisions 1, 5, and by adding a subdivision; 641.24; Laws 1988, chapter 719, article 12, section 30.

Mr. Moe, R.D. moved that H.F. No. 40 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. Spear from the Committee on Judiciary, to which was referred

S.F. No. 28: 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 1, line 16, delete "*or mental*" and before the period, insert "*when the individual is in a terminal condition*"

Page 2, after line 7, insert:

"Subd. 8. [TERMINAL CONDITION.] "*Terminal condition*" means an incurable or irreversible condition for which the administration of medical treatment will serve only to prolong the dying process."

Page 2, line 19, delete "*either*" and delete "*, a notary public, or a physician*"

Page 3, line 10, after "*you*" insert "*are in a terminal condition and*"

Page 3, line 35, after "*I*" insert "*am in a terminal condition and*"

Page 4, line 1, delete "*and morally*"

Page 5, delete lines 27 to 34

Pages 8 and 9, delete section 10

Page 9, line 9, delete "145B.11" and insert "145B.10"

Page 9, line 14, after "*a*" insert "*gross*"

Page 9, lines 16 and 17, delete "*sections 1 to 18*" and insert "*this chapter*"

Page 9, line 22, delete "*misdemeanor*" and insert "*felony*"

Page 9, lines 22 and 25, delete “*sections 1 to 18*” and insert “*this chapter*”

Page 9, line 26, after “*receiving*” insert “*all or some*”

Page 9, line 30, delete “145B.12” and insert “145B.11”

Page 10, line 1, delete “145B.13” and insert “145B.12”

Page 10, delete lines 2 to 4 and insert:

“*If an individual has not executed or has revoked a declaration under this chapter, a presumption is not created with respect to:*

(1) *the individual's intentions concerning the provision of health care;*  
or

(2) *the appropriate health care to be provided.*”

Page 10, line 5, delete “145B.14” and insert “145B.13”

Page 10, line 23, delete “145B.15” and insert “145B.14”

Page 10, lines 24, 29, and 35, delete “*sections 1 to 18*” and insert “*this chapter*”

Page 10, line 26, delete “145B.16” and insert “145B.15”

Page 10, line 29, delete “*must*” and insert “*may*”

Page 10, line 32, delete “145B.17” and insert “145B.16”

Page 10, line 36, delete “145B.18” and insert “145B.17”

Page 11, line 1, delete “*sections 1 to 18*” and insert “*this chapter*”

Page 11, line 4, after the period, insert “*Nothing in this chapter prohibits legal treatment by spiritual means through prayer in lieu of medical or surgical treatment when the treatment has been specified by the declarant.*”

Renumber the sections in sequence

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. 1 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.
1	26				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1 and insert the language after the enacting clause of S.F. No. 26, the first engrossment; further, delete the title of H.F. No. 1 and insert the title of S.F. No. 26, the first engrossment.

And when so amended H.F. No. 1 will be identical to S.F. No. 26, and

further recommends that H.F. No. 1 be given its second reading and substituted for S.F. No. 26, 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. 28 was read the second time.

### SECOND READING OF HOUSE BILLS

H.F. No. 1 was read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Taylor moved that the names of Mr. Waldorf, Ms. Olson, Messrs. Larson and Beckman be added as co-authors to S.F. No. 14. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 52. The motion prevailed.

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

Mr. Bertram moved that the name of Mr. Novak be added as a co-author to S.F. No. 83. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Novak be added as a co-author to S.F. No. 99. The motion prevailed.

Mr. Spear moved that the names of Messrs. DeCramer and Cohen be added as co-authors to S.F. No. 139. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Diessner be added as a co-author to S.F. No. 164. The motion prevailed.

Mr. Bertram moved that the name of Mr. Schmitz be added as a co-author to S.F. No. 191. The motion prevailed.

Mr. Langseth moved that the names of Messrs. Anderson, Purfeerst and Morse be added as co-authors to S.F. No. 198. The motion prevailed.

Mr. Bertram moved that the name of Mr. Pehler be added as a co-author to S.F. No. 211. The motion prevailed.

Mr. Beckman moved that the names of Messrs. Pehler and Davis be added as co-authors to S.F. No. 217. The motion prevailed.

Mr. Anderson introduced—

Senate Resolution No. 33: A Senate resolution commending Julia Zehnle on her 50 years of service to the citizens of Todd County.

Referred to the Committee on Rules and Administration.

Mrs. McQuaid introduced—

Senate Resolution No. 34: A Senate resolution congratulating Dennis Koslowski, of St. Louis Park, for winning the Greco-Roman Wrestling

Bronze Medal in the 1988 Olympic Games.

Referred to the Committee on Rules and Administration.

Messrs. Laidig and Diessner introduced—

Senate Resolution No. 35: A Senate resolution commending James Trudeau for his 24-year career in law enforcement and congratulating him on his selection as President of the Minnesota State Sheriff's Association.

Referred to the Committee on Rules and Administration.

Ms. Olson introduced—

Senate Resolution No. 36: A Senate resolution commending Donna Grinvalds for her years of service to Westonka Christian Services.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that H.F. No. 40 be taken from the table. The motion prevailed.

H.F. No. 40: A bill for an act relating to the financing of local government; providing for computation of debt limits as a percentage of market value; adjusting other debt limits for the conversion to tax capacities; adjusting disparity reduction aid in certain cases; making technical corrections in 1988 tax increment financing law and providing an exception to one of its provisions; amending Minnesota Statutes 1988, sections 124.43, subdivision 1; 275.08, by adding a subdivision; 366.095, subdivision 1; 410.32; 412.301; 469.177, subdivision 1a; 475.53, subdivisions 1, 5, and by adding a subdivision; 641.24; Laws 1988, chapter 719, article 12, section 30.

### 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. 40 and that the rules of the Senate be so far suspended as to give H.F. No. 40 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 40 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 40 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 40, and insert the language after the enacting clause, and the title, of S.F. No. 99, the first engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. then moved to amend H.F. No. 40, as amended by the Senate January 26, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 99.)

Page 4, after line 24, insert:

“Sec. 3. Minnesota Statutes 1988, section 366.095, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATES OF INDEBTEDNESS.] The town board may issue certificates of indebtedness within the existing debt limits for a

town purpose otherwise authorized by law. The certificates shall be payable in not more than five years and shall be issued on the terms and in the manner as the board may determine. If the amount of the certificates to be issued exceeds ~~one~~ 0.25 percent of the ~~gross tax capacity~~ *market value* of the town, ~~excluding money and credits~~, they shall not be issued for at least ten days after publication in a newspaper of general circulation in the town of the board's resolution determining to issue them; and if before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular town election is filed with the clerk, the certificates shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election. A tax levy shall be made for the payment of the principal and interest on the certificates as in the case of bonds."

Page 7, line 10, delete "gross"

Page 7, after line 14, insert:

"Sec. 10. Minnesota Statutes 1988, section 641.24, is amended to read:  
641.24 [LEASING.]

The county may, by resolution of the county board, enter into a lease agreement with any statutory or home rule charter city situated within the county, or a county housing and redevelopment authority established pursuant to chapter 462 or any special law whereby the city or county housing and redevelopment authority will construct a jail in accordance with plans prepared by or at the request of the county board and approved by the commissioner of corrections and will finance it by the issuance of revenue bonds, and the county may lease the jail site and improvements for a term and upon rentals sufficient to produce revenue for the prompt payment of the bonds and all interest accruing thereon and, upon completion of payment, will acquire title thereto. The real and personal property acquired for the jail shall constitute a project and the lease agreement shall constitute a revenue agreement as contemplated in chapter 474, and all proceedings shall be taken by the city or county housing and redevelopment authority and the county in the manner and with the force and effect provided in chapter 474; provided that:

- (1) No tax shall be imposed upon or in lieu of a tax upon the property;
- (2) The approval of the project by the commissioner of commerce shall not be required;
- (3) The department of corrections shall be furnished and shall record such information concerning each project as it may prescribe, in lieu of reports required on other projects to the commissioner of trade and economic development;
- (4) The rentals required to be paid under the lease agreement shall not exceed in any year ~~four-tenths~~ *one-tenth* of one percent of the ~~gross tax capacity~~ *market value* of property within the county, as last finally equalized before the execution of the agreement;
- (5) The county board shall provide for the payment of all rentals due during the term of the lease, in the manner required in section 641.264, subdivision 2;
- (6) No mortgage on the jail property shall be granted for the security of



the bonds, but compliance with clause (5) hereof may be enforced as a nondiscretionary duty of the county board; and

(7) The county board may sublease any part of the jail property for purposes consistent with the maintenance and operation of a county jail."

Page 8, line 16, delete "6, 7, 8, and 10" and insert "5, 7, 8, 9, 10, and 12"

Page 8, line 17, delete "5 and 9" and insert "6 and 11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the first semicolon, insert "366.095, subdivision 1;"

Page 1, line 13, after the semicolon, insert "641.24;"

The motion prevailed. So the amendment was adopted.

H.F. No. 40 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Mehrkens	Pogemiller
Anderson	Dicklich	Knaak	Metzen	Ramstad
Benson	Diessner	Knutson	Moe, D.M.	Renneke
Berg	Frank	Kroening	Moe, R.D.	Samuelson
Bertram	Frederick	Langseth	Morse	Schmitz
Brataas	Frederickson, D.J.	Lantry	Novak	Solon
Chmielewski	Frederickson, D.R.	Larson	Olson	Spear
Cohen	Freeman	Lessard	Pariseau	Storm
Dahl	Gustafson	Marty	Pehler	Stumpf
Davis	Hughes	McGowan	Peterson, R.W.	Taylor
Decker	Johnson, D.E.	McQuaid	Piper	Vickerman

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

Mr. Johnson, D.J. moved that S.F. No. 99, No. 2 on General Orders, be stricken and laid on the table. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 37: A Senate resolution proclaiming January 29, 1989, to be POW/MIA Unity Day of Prayer in Minnesota.

WHEREAS, nearly 2,398 American personnel are still unaccounted for following the cessation of hostilities in Southeast Asia; and

WHEREAS, 42 Minnesotans are among those still missing as a result of that conflict; and

WHEREAS, attempts continue to be made to achieve a final accounting of the fates of these missing personnel; and

WHEREAS, the families of these service personnel deserve and need a final accounting of their loved ones who disappeared in the service of their nation; and

WHEREAS, Governor Perpich has proclaimed January 29, 1989, to be

POW/MIA Unity Day of Prayer in Minnesota; NOW, THEREFORE.

BE IT RESOLVED by the Senate of the State of Minnesota that January 29, 1989, is proclaimed to be POW/MIA Unity Day of Prayer. All citizens and residents of Minnesota are encouraged to participate and also to support all families of these missing Americans.

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 Minnesota League of POW Families.

Mr. Bertram moved the adoption of the foregoing resolution. 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.

Ms. Berglin and Mr. Peterson, R.W. introduced—

S.F. No. 218: A bill for an act relating to health; amending the bill of rights for patients and residents of health facilities; requiring health facilities to notify family members of the admission of a patient or resident under certain circumstances; amending Minnesota Statutes 1988, section 144.651, subdivision 10.

Referred to the Committee on Health and Human Services.

Mr. Frank introduced—

S.F. No. 219: 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 1988, section 169.18, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Cohen introduced—

S.F. No. 220: A bill for an act relating to juvenile court; clarifying the grounds for terminating parental rights to a child; authorizing the filing of a CHIPS petition when a child is engaging repeatedly in sexually aggressive behavior and the person responsible for the child fails or refuses to intervene; authorizing the detention of chronic runaways in secure custody within a shelter care facility; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.155, subdivision 4; 260.173, subdivision 3; and 260.221, subdivisions 1 and 3.

Referred to the Committee on Judiciary.

Ms. Reichgott introduced—

S.F. No. 221: A bill for an act relating to corporations; providing that the control share acquisition and business combination statutes apply to certain corporations unless they elect not to be covered; clarifying application of the statutes; reducing the period of time that business combinations are regulated from five years to three years; amending Minnesota

Statutes 1988, sections 302A.011, subdivisions 41 and 49; 302A.671, subdivision 1; and 302A.673, subdivisions 1 and 3.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 222: A bill for an act relating to data privacy; providing for access to private medical examiner data and other medical data by family members; amending Minnesota Statutes 1988, sections 13.42, subdivision 3; 13.83, subdivision 8; and 144.335, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 223: 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 1988, section 169.121, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 224: A bill for an act relating to traffic regulations; requiring a urine or blood test to be administered even after a breath test has been administered to drivers involved in severe motor vehicle accidents while under the influence of a controlled substance or alcohol; amending Minnesota Statutes 1988, section 169.123, subdivision 2a.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 225: A resolution memorializing the President and Congress of the United States to hold to the policy of no normalization of relations with the Socialist Republic of Vietnam.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Peterson, R.W.; Frederickson, D.R. and Knaak introduced—

S.F. No. 226: A bill for an act relating to collection and dissemination of data; enacting the uniform criminal history records act; prescribing penalties; amending Minnesota Statutes 1988, section 13.82, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 13B; repealing Minnesota Statutes 1988, section 13.87.

Referred to the Committee on Judiciary.

Mr. Dahl introduced—

S.F. No. 227: A bill for an act relating to uniform acts; defining brain death; imposing uniform requirements for the determination of brain death; proposing coding for new law in Minnesota Statutes, chapter 634.

Referred to the Committee on Judiciary.

Mr. Dahl introduced—

S.F. No. 228: A bill for an act relating to education; appropriating money to the state board for community colleges for a textbook rental pilot program.

Referred to the Committee on Education.

Messrs. Diessner and Laidig introduced—

S.F. No. 229: A bill for an act relating to counties; permitting counties to rent county-owned residences by less formal procedure; amending Minnesota Statutes 1988, section 373.01, subdivision 1.

Referred to the Committee on Local and Urban Government.

Messrs. Diessner and Laidig introduced—

S.F. No. 230: A bill for an act relating to local government; excepting computer software purchases from the uniform municipal contracting law; amending Minnesota Statutes 1988, section 471.345, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mrs. Pariseau, Messrs. McGowan, Schmitz, Bertram and Mrs. McQuaid introduced—

S.F. No. 231: A bill for an act relating to veterans affairs; appropriating money for grave markers.

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

Ms. Reichgott and Mr. Peterson, R.W. introduced—

S.F. No. 232: A bill for an act relating to corporations; providing for the simplification of certain filings made with the office of the secretary of state; changing the recipients of certain notices; modifying the definition of address to include zip codes; appropriating money; amending Minnesota Statutes 1988, sections 302A.011, subdivision 3; 302A.123, subdivision 1; 302A.821, subdivision 1; 303.02, subdivision 5; 303.10, subdivision 2; 303.13, subdivision 2; 303.14, subdivision 1; and 303.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 5.

Referred to the Committee on Judiciary.

Messrs. Waldorf and Brandl introduced—

S.F. No. 233: A bill for an act relating to education; making nonpublic school pupils eligible under the post-secondary enrollment options act; appropriating money; amending Minnesota Statutes 1988, section 123.3514

Referred to the Committee on Education.

Ms. Reichgott, Messrs. Marty, Novak, Hughes and Freeman introduced—

S.F. No. 234: A bill for an act relating to education; increasing the minimum allowance for school districts; amending Minnesota Statutes 1988, section 124A.22, subdivision 9.

Referred to the Committee on Education.

Mrs. Lantry and Ms. Berglin introduced—

S.F. No. 235: A bill for an act relating to health, human services, and corrections; establishing requirements to prevent overconcentration of residential facilities; requiring county plans for the dispersal and downsizing of facilities in overconcentrated areas; limiting municipal zoning restrictions on certain residential facilities; proposing coding for new law in Minnesota Statutes, chapters 245A and 462; repealing Minnesota Statutes 1988, sections 245A.11; and 462.357, subdivisions 6a, 7, and 8.

Referred to the Committee on Health and Human Services.

Messrs. Waldorf, Stumpf, Laidig, Mrs. Adkins and Mr. Benson introduced—

S.F. No. 236: A bill for an act relating to health; establishing requirements for nutrition and hydration for vulnerable persons; proposing coding for new law as Minnesota Statutes, chapter 145B.

Referred to the Committee on Health and Human Services.

Messrs. Dahl; Moe, R.D. and Merriam introduced—

S.F. No. 237: A bill for an act relating to pollution; regulating the disposal of infectious and pathological wastes; providing for penalties for violation; appropriating money; amending Minnesota Statutes, section 609.671, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Mr. Samuelson, Mrs. Adkins, Messrs. Bertram, Waldorf and Ms. Piper introduced—

S.F. No. 238: A bill for an act relating to health; requiring licensed optometrists to be certified by the board of optometry to prescribe legend drugs; authorizing the prescription of legend drugs by licensed optometrists who are board certified; authorizing the prescription of certain controlled substances by licensed optometrists who are board certified; amending Minnesota Statutes 1988, sections 148.572; 148.574; 151.01, subdivision 23; 152.11, subdivision 2; and 152.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Messrs. Benson and Beckman introduced—

S.F. No. 239: A bill for an act relating to agriculture; authorizing a grant for the further study of the culture of shiitake mushrooms in Minnesota; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Ms. Piper, Messrs. Pogemiller, Freeman and Frederickson, D.R. introduced—

S.F. No. 240: A bill for an act relating to state government; regulating part-time employees and employment policies; amending Minnesota Statutes 1988, sections 16A.11, 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.

Messrs. Diessner and Berg introduced—

S.F. No. 241: A bill for an act relating to crimes; providing for an exception to certain activities prohibited on buses; amending Minnesota Statutes 1988, section 609.855, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 242: A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance companies; amending Minnesota Statutes 1988, section 60A.15, subdivision 1.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 243: A bill for an act relating to insurance; regulating access to certain insurance and medical data; amending Minnesota Statutes 1988, section 176.138.

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

Mmes. McQuaid, Lantry, Pariseau, Messrs. Johnson, D.E. and Chmielewski introduced—

S.F. No. 244: A bill for an act relating to taxation; income; providing a credit for home care of the elderly; amending Minnesota Statutes 1988, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Hughes introduced—

S.F. No. 245: A bill for an act relating to ethics in government; providing certain limits on fundraising events; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections and Ethics.

Mr. Dicklich introduced—

S.F. No. 246: A bill for an act relating to veterans; changing qualifications for veterans service officers; amending Minnesota Statutes 1988, section 197.601.

Referred to the Committee on Veterans and Military Affairs.

Mr. Dicklich introduced—

S.F. No. 247: A bill for an act relating to the city of Hibbing; authorizing two additional on-sale liquor licenses.

Referred to the Committee on Commerce.

Messrs. Bertram, Vickerman, Beckman and Chmielewski introduced—

S.F. No. 248: A bill for an act relating to veterans; authorizing officers and employees of the Military Order of the Purple Heart to purchase certain insurance benefits; amending Minnesota Statutes 1988, section 43A.27, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Brandl introduced—

S.F. No. 249: A bill for an act relating to retirement; Minneapolis employees retirement fund; defining salary and final average salary to accommodate back payments under delayed collective bargaining agreements; providing for retroactive application for certain persons; amending Minnesota Statutes 1988, section 422A.01, by adding subdivisions.

Referred to the Committee on Governmental Operations.

Messrs. Bertram, Diessner, Vickerman, Beckman and Chmielewski introduced—

S.F. No. 250: 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.

Messrs. Bertram, Vickerman, Beckman and Chmielewski introduced—

S.F. No. 251: A bill for an act relating to taxation; income; providing an exclusion for certain military pay; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler introduced—

S.F. No. 252: A bill for an act relating to education; increasing the capital expenditure facilities revenue formula and the capital expenditure equipment revenue formula; amending Minnesota Statutes 1988, sections 124.243, subdivisions 2 and 4; and 124.244, subdivision 1.

Referred to the Committee on Education.

Mr. Pehler introduced—

S.F. No. 253: A bill for an act relating to education; authorizing the use of community education funds to acquire equipment to be used exclusively

in community education programs; amending Minnesota Statutes 1988, section 124.271, subdivision 4.

Referred to the Committee on Education.

Mr. Pehler introduced—

S.F. No. 254: A bill for an act relating to charitable gambling; making sales of pull-tabs and tipboards to exempt organizations exempt from state tax; amending Minnesota Statutes 1988, section 349.212, subdivision 4.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Johnson, D.E. introduced—

S.F. No. 255: A bill for an act relating to education; appropriating money for the Minnesota AeroSpace Exploratorium.

Referred to the Committee on Education.

Mr. Anderson introduced—

S.F. No. 256: A bill for an act relating to transportation; providing for distribution of proceeds from the motor vehicle excise tax; amending Minnesota Statutes 1988, section 297B.09, subdivision 1.

Referred to the Committee on Transportation.

Mr. Moe, D.M. introduced—

S.F. No. 257: A bill for an act relating to state government; eliminating the requirement that certain reports of occupational licensing boards be summarized; eliminating certain prohibitions against state purchase of insurance; regulating state sale of goods and services; amending Minnesota Statutes 1988, sections 15.39, subdivision 1; 16A.85, subdivision 2; 16B.06, subdivisions 1, 2, and 4; and 16B.405; repealing Minnesota Statutes 1988, sections 15.38; and 214.07, subdivision 2.

Referred to the Committee on Governmental Operations.

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

S.F. No. 258: A bill for an act relating to state government; regulating state employment practices; amending Minnesota Statutes 1988, sections 43A.02, subdivision 33; 43A.04, subdivision 3, and by adding a subdivision; 43A.10, subdivisions 7 and 8; 43A.12, subdivision 5; 43A.13, subdivisions 4, 5, 6, and 7; 43A.15, subdivision 10; 43A.18, subdivision 4; 43A.191, subdivisions 2 and 3; 43A.316, subdivision 5; 43A.37, subdivision 1; and 299D.03, subdivision 7; repealing Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, and 5.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller introduced—

S.F. No. 259: A bill for an act relating to state government; restricting additional types of payroll deductions for state employees; proposing coding for new law in Minnesota Statutes, chapter 16A.



Referred to the Committee on Governmental Operations.

Messrs. Merriam; Frederickson, D.R.; Knaak and Freeman introduced—

S.F. No. 260: A bill for an act relating to probate; providing for a statutory will; enacting the uniform statutory will act; proposing coding as Minnesota Statutes, chapter 524A.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 261: A bill for an act relating to commerce; regulating burglar alarm franchises; amending Minnesota Statutes 1988, section 80C.30.

Referred to the Committee on Commerce.

Messrs. Morse; Moe, R.D.; Davis; Merriam and Benson introduced—

S.F. No. 262: A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating, enforcing violation, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 12 and 26, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 4, and 5; 18B.08, subdivisions 1 and 4; 18B.17, subdivision 2; 18B.18; 18B.20, subdivisions 1, 2, and 3; 18B.21; 18B.25, subdivision 5; 18B.26, subdivisions 1, 3, and 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 3 and 7; 18B.34, subdivisions 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, and 3; 115B.20; 116C.41, subdivision 1; 116E.02; 116E.03; 144.381; 144.382, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 17; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.05; 18B.15; 18B.16; 18B.19; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

Referred to the Committee on Environment and Natural Resources.

Mr. Morse, Ms. Olson, Messrs. Samuelson, Marty and Merriam introduced—

S.F. No. 263: A bill for an act relating to environment; eliminating the PCB exemption program; repealing Minnesota Statutes 1988, sections 116.36; and 116.37.

Referred to the Committee on Environment and Natural Resources.

Messrs. Diessner and Ramstad introduced—

S.F. No. 264: A bill for an act relating to health; requiring that health care providers timely furnish patient health records and reports; amending Minnesota Statutes 1988, section 144.335, subdivisions 2 and 3.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 265: A bill for an act relating to human services; providing for allocation of funds for chemical dependency programs; amending Minnesota Statutes 1988, sections 254B.02, subdivision 1; 254B.03, subdivision 4; 254B.04, subdivision 2; 254B.06, subdivision 1; and 254B.09, subdivisions 1, 4, and 5; repealing Minnesota Statutes 1988, sections 254B.09, subdivision 3; and 254B.10.

Referred to the Committee on Health and Human Services.

Messrs. Chmielewski and Diessner introduced—

S.F. No. 266: A bill for an act relating to occupational safety and health; proposing the “safety right-to-know act of 1989”; requiring employers to survey their worksite, conduct job safety analyses, establish safety committees, prepare information describing how to work safely, and provide training to employees; appropriating money; amending Minnesota Statutes 1988, sections 182.65, by adding a subdivision; 182.651, by adding subdivisions; 182.653, by adding subdivisions; and 182.673; repealing Minnesota Statutes 1988, section 182.651, subdivision 16.

Referred to the Committee on Employment.

Messrs. Diessner, Laidig, Pehler and Bertram introduced—

S.F. No. 267: A bill for an act relating to corrections; providing for reimbursements by the department of corrections to counties and municipalities for law enforcement activities involving state correctional inmates; appropriating money; amending Minnesota Statutes 1988, section 241.271.

Referred to the Committee on Health and Human Services.

Mr. Cohen introduced—

S.F. No. 268: 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 1988, section 353A.02, subdivision 17.

Referred to the Committee on Governmental Operations.

Mr. Cohen introduced—

S.F. No. 269: 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.

Mr. Dahl introduced—

S.F. No. 270: 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 1988, section 115.03, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Lessard and Novak introduced—

S.F. No. 271: A bill for an act relating to game and fish; contents of firearms safety course for young hunters; amending Minnesota Statutes 1988, section 97B.015, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Langseth and Stumpf introduced—

S.F. No. 272: A bill for an act relating to veterans; requiring the department of administration to consider sites in other areas of northwestern Minnesota in addition to Fergus Falls for establishment of a veterans home; amending Laws 1988, chapter 689, article 1, section 2, subdivision 5.

Referred to the Committee on Veterans and Military Affairs.

Mr. Beckman introduced—

S.F. No. 273: A bill for an act relating to education; establishing requirements for membership on an education district board; amending Minnesota Statutes 1988, section 122.92.

Referred to the Committee on Education.

Messrs. Gustafson and Bernhagen introduced—

S.F. No. 274: A bill for an act relating to taxation; sales and use; repealing accelerated payment of June liability; amending Minnesota Statutes 1988, section 297A.27, subdivision 1; repealing Minnesota Statutes 1988, section 297A.275.

Referred to the Committee on Taxes and Tax Laws.

Mr. Vickerman, Mrs. Adkins, Mr. Waldorf, Ms. Olson and Mrs. McQuaid introduced—

S.F. No. 275: A bill for an act relating to human services; requiring the physician to make a determination of viability; prohibiting abortions except those necessary to preserve the life or health of the mother; regulating the method of abortion of the viable fetus; requiring the presence of a second physician at the abortion of a viable unborn child; regulating the standard of care for the viable unborn child; according protection of law to the child born alive as a result of abortion; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Marty, Merriam, Dahl and Mrs. McQuaid introduced—

S.F. No. 276: A bill for an act relating to consumer protection; prohibiting vending machine sales of tobacco products; amending Minnesota Statutes 1988, section 325F.78; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 1988, section 325E.07.

Referred to the Committee on Commerce.

Messrs. Spear; Moe, R.D.; Samuelson and Johnson, D.E. introduced—

S.F. No. 277: A bill for an act relating to health; establishing a treatment program for compulsive gamblers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Morse; Moe, R.D.; Pehler and Beckman introduced—

S.F. No. 278: A bill for an act relating to economic development; revising provisions governing regional development commissions; renaming regional development commissions; authorizing the establishment of area development alliances; appropriating money; amending Minnesota Statutes 1988, sections 462.381; 462.382; 462.383; 462.384, subdivisions 1, 2, 5, 6, 7, and by adding subdivisions; 462.385; 462.386; 462.387; 462.388; 462.389; 462.39; 462.393; 462.394; 462.395; 462.396; 462.397; and 462.398; proposing coding for new law in Minnesota Statutes, chapter 462; repealing Minnesota Statutes 1988, sections 462.384, subdivisions 3 and 4; 462.391; and 462.392.

Referred to the Committee on Economic Development and Housing.

Mr. Luther, Ms. Berglin, Messrs. Chmielewski and Knutson introduced—

S.F. No. 279: A bill for an act relating to human services; providing that money held under court supervision for the benefit of a minor is not an available resource for purposes of human services programs until released by the supervising court; requiring the state human service agency to pay a pro rata share of the fees and collection costs when benefits are recovered through legal action; amending Minnesota Statutes 1988, sections 252.27, subdivision 2; 256B.042, subdivision 5; 256B.056, subdivision 3; and 260.251, subdivision 1.

Referred to the Committee on Health and Human Services.

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

S.F. No. 280: A bill for an act relating to natural resources; allowing counties to authorize predator control; setting payment rates for fox that are taken; suspension of certain trespass laws to allow taking of fox if authorized by county resolution; authorizing a bounty on fox; requiring proof of fox killed; appropriating money; amending Minnesota Statutes 1988, sections 97B.001, by adding a subdivision; 97B.671; 348.12; and 348.13.

Referred to the Committee on Environment and Natural Resources.

Messrs. Berg, Vickerman and Renneke introduced—

S.F. No. 281: A bill for an act relating to agriculture; allowing nuisance free, pollution free, aesthetic disposal of solid waste on agricultural land by a person engaged in farming; requiring the pollution control agency to notify the commissioner of agriculture and hold public hearings on rules affecting farming operations; amending Minnesota Statutes 1988, section 116.07, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17.

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, January 30, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTH DAY

St. Paul, Minnesota, Monday, January 30, 1989

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

Prayer was offered by the Chaplain, Rev. Phyllis Taylor.

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

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

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. Kroening was excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

June 23, 1988

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:

Barbara Grove, HCR 2, Box 124, Emily, Crow Wing County, has been appointed by me, effective June 27, 1988, for a term expiring June 30,

1991.

Dorothy Meany, 1200 Nicollet Mall, Minneapolis, Hennepin County, has been appointed by me, effective June 27, 1988, for a term expiring June 30, 1991.

Raymond J. Joachim, Sr., 109 - 6th St. W., Jordan, Scott County, has been appointed by me, effective June 27, 1988, for a term expiring June 30, 1991.

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

January 19, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Earl Gustafson, 984 Ashland, St. Paul, Ramsey County, has been appointed by me, effective January 24, 1989, for a term expiring the first Monday in January, 1995.

(Referred to the Committee on Taxes and Tax Laws.)

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, herewith returned: S.F. No. 83.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 26, 1989

### 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. 25: A bill for an act relating to the legislature; correcting inaccurate references to senate committees; removing an obsolete reference to senate and house committees; amending Minnesota Statutes 1988, sections 97A.045, subdivision 8; 97A.065, subdivision 3; 116E.035; and 480.256.

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. 1: A bill for an act relating to waste management; restoring powers and duties to the waste management board.

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. 105: A bill for an act relating to appropriations; requiring recommendations of the legislative advisory commission to be made at a meeting of the commission except in certain circumstances; amending Minnesota Statutes 1988, section 3.30, subdivisions 1 and 2.

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

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

S.F. No. 32: A bill for an act relating to crimes; trespass; recodifying the law on dangerous trespasses and misdemeanor trespasses; prescribing penalties; amending Minnesota Statutes 1988, sections 609.50; 609.55, subdivision 2, and by adding subdivisions; 609.576; 609.605; 609.85; 609.855, subdivisions 1 and 3; and 624.731, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 609.60.

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

Page 1, after line 11, insert:

“Section 1. Minnesota Statutes 1988, section 609.02, subdivision 12, is amended to read:

Subd. 12. [HARASS.] As used in sections 609.605, subdivision 1, clause ~~(43)~~ (7), 609.746, 609.79, and 609.795, “harass” means to interfere with another person so as to persecute or oppress that person.

Sec. 2. Minnesota Statutes 1988, section 609.02, subdivision 13, is amended to read:

Subd. 13. [THREATEN.] As used in sections 609.605, subdivision 1, clause ~~(43)~~ (7), 609.746, 609.79, and 609.795, “threaten” means to express a purpose or intent to injure the person, property, or rights of another by the commission of an unlawful act.”

Page 1, delete lines 14 to 17

Page 1, line 18, delete “Subd. 2. [FELONY.]” and delete “*who violates subdivision 1*”

Page 1, line 22, after “*present*” insert “*without authorization of the adjutant general*”

Page 1, line 23, after “*area*” insert “*at the Camp Ripley military reservation that is*”



Page 2, line 12, delete "*orders*" and insert "*order*"

Page 2, line 21, delete "*was a violation of clause (3) and*"

Page 2, line 22, after the comma, insert "*substantial*"

Page 4, line 9, delete "[DEFINITIONS.]" and insert "[MISDEMEANOR.] (a)"

Page 4, line 11, delete "(a)" and insert "(i)" and delete "*a building and any appurtenant*"

Page 4, line 12, before the period, insert "*and any appurtenant building or structure*"

Page 4, line 13, delete "(b)" and insert "(ii)"

Page 4, line 18, delete "*Subd. 2.*" and strike "[MISDEMEANOR.]" and after the stricken "*Whoever*" insert "(b)"

Page 5, line 32, reinstate the stricken language and delete the new language

Page 7, line 3, after "*Whoever*" insert "*intentionally*"

Page 7, line 4, delete "*enter or remain*" and insert "*trespass*"

Page 7, line 6, after "*FALSE*" insert "*TRAFFIC*" and delete "*ON HIGHWAY, RAILROAD,*"

Page 7, line 7, delete "*WATER, OR AIR*"

Page 8, line 16, delete "*14*" and insert "*16*"

Page 8, after line 27, insert:

"Sec. 17. Minnesota Statutes 1988, section 629.363, is amended to read:  
629.363 [RAILWAY CONDUCTOR: AUTHORITY TO ARREST.]

A conductor of a railway train may arrest a person committing an act upon the train prohibited by sections ~~609.605~~ 10, 13, and 609.72 with or without a warrant, and take that person to the proper law enforcement authorities, or to the station agent at the next railway station. The station agent shall take the arrested person to the law enforcement authorities. A conductor or station agent possesses the powers of a sheriff with a warrant in making arrests under this chapter."

Page 8, line 31, delete "*15*" and insert "*18*"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, after "*sections*" insert "*609.02, subdivisions 12 and 13;*"

Page 1, line 7, after the semicolon, delete "*and*"

Page 1, line 8, after the semicolon, insert "*and 629.363;*"

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. 139: A bill for an act relating to liquor; increasing age for provisional driver's license to 21 years; providing for fees; providing for license suspension for minors misrepresenting their age for purposes of

purchasing alcoholic beverages; providing penalty for misuse of Minnesota identification card; amending Minnesota Statutes 1988, sections 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivision 1; 171.171; 171.22; and 171.27.

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

Page 3, delete section 4 and insert:

“Sec. 4. Minnesota Statutes 1988, section 171.171, is amended to read:

**171.171 [SUSPENSIONS; ILLEGAL PURCHASE OF ALCOHOLIC BEVERAGES.]**

The commissioner shall suspend for a period of ~~30~~ 90 days the license of a person *who*:

(1) *is under the age of ~~19~~ 21 years ~~who~~ and is convicted of purchasing or attempting to purchase an alcoholic beverage in violation of section 340A.503 if the person used a drivers license ~~or~~, permit or Minnesota identification card to purchase or attempt to purchase the alcoholic beverage-; or*

*(2) is convicted under section 171.22, subdivision 1, clause (2), or 340A.503, subdivision 2, clause (3), of lending or knowingly permitting a person under the age of 21 years to use the person's drivers license, permit or Minnesota identification card to purchase or attempt to purchase an alcoholic beverage.”*

Page 4, line 25, strike everything after “card”

Page 4, line 26, strike “license”

Page 4, line 29, strike “or”

Page 4, line 30, after “(8)” insert “*to make a counterfeit drivers license or Minnesota identification card; or*

*(9)”*

Page 4, line 34, after “(8)” insert “*or (9)”*

Page 5, line 21, delete “*believes*” and insert “*determines*”

Page 6, after line 5, insert:

“Sec. 7. Minnesota Statutes 1988, section 260.195, subdivision 3, is amended to read:

Subd. 3. [DISPOSITIONS.] If the juvenile court finds that a child is a petty offender, the court may 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 340A.503, if the child has a driver's license or permit to drive, and if the child used a driver's license ~~or~~, permit *or Minnesota identification card* to purchase or attempt to purchase the alcoholic beverage, the court shall forward its finding in the case and the child's driver's license or permit to the commissioner of public safety. Upon receipt, the commissioner shall ~~revoke~~ *suspend* the child's license or permit for a period of ~~30~~ 90 days.

None of the dispositional alternatives described in clauses (a) to (e) shall be imposed by the court in a manner which would cause an undue hardship upon the child.

Sec. 8. Minnesota Statutes 1988, section 340A.503, subdivision 2, is amended to read:

Subd. 2. [PURCHASING.] It is unlawful for any person:

(1) to sell, barter, furnish, or give alcoholic beverages to a person under 21 years of age, except that a parent or guardian of a person under the age of 21 years may give or furnish alcoholic beverages to that person solely for consumption in the household of the parent or guardian;

(2) under the age of 21 years to purchase or attempt to purchase any alcoholic beverage; or

(3) to induce a person under the age of 21 years to purchase or procure any alcoholic beverage, *or to lend or knowingly permit the use of the person's drivers license, permit, Minnesota identification card, or other form of identification by a person under the age of 21 years for the purpose of purchasing or attempting to purchase an alcoholic beverage.*

Sec. 9. Minnesota Statutes 1988, section 340A.503, subdivision 6, is amended to read:

Subd. 6. [PROOF OF AGE: DEFENSE.] (a) Proof of age for purchasing or consuming alcoholic beverages may be established only by a valid drivers license or Minnesota identification card, or in the case of a foreign national by a valid passport.

(b) *In a prosecution under subdivision 2, clause (1), it is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in paragraph (a) in selling, bartering, furnishing, or giving the alcoholic beverage.*

Sec. 10. [340A.5031] [TRANSFER OF CONFISCATED IDENTIFICATION.]

*If a licensee confiscates a drivers license, permit, Minnesota identification card, or other form of identification used by a person under the age of 21 years to purchase or attempt to purchase an alcoholic beverage, within 31 days after the identification is confiscated, the licensee shall give the identification to the commissioner of public safety or the local law enforcement agency. Upon request, the commissioner shall make the identification available to a local law enforcement agency or prosecuting authority for investigation or prosecution purposes. If a local law enforcement agency or prosecuting authority has the identification and does not charge the person who used the identification with illegally purchasing or attempting to purchase an alcoholic beverage, or if the person is convicted*

*or acquitted of the charge, the local law enforcement agency or prosecuting authority shall give the identification to the commissioner of public safety.*

Sec. 11. Minnesota Statutes 1988, section 340A.801, is amended by adding a subdivision to read:

*Subd. 3a. [DEFENSE.] The defense described in section 340A.503, subdivision 6, applies to actions under this section."*

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "increasing the period for suspension of a drivers license for use of a license to illegally purchase alcohol; including other forms of identification and persons who lend identification; increasing the penalty for counterfeiting a drivers license or Minnesota identification card; prohibiting lending any form of identification for use by an underage person to purchase alcohol; clarifying the application of the carding defense for illegal sales; providing for transfer of confiscated identification;"

Page 1, line 10, delete "and" and before the period, insert "; 260.195, subdivision 3; 340A.503, subdivisions 2 and 6; and 340A.801, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A"

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 25, 1, 32 and 139 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Vickerman moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 47. The motion prevailed.

Mr. Dahl moved that the name of Mr. Luther be added as a co-author to S.F. No. 85. The motion prevailed.

Mr. Bertram moved that the name of Mr. Diessner be added as a co-author to S.F. No. 115. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Merriam be added as a co-author to S.F. No. 221. The motion prevailed.

Mr. Dahl moved that the name of Mr. Spear be added as a co-author to S.F. No. 227. The motion prevailed.

Mr. Benson moved that his name be stricken as a co-author to S.F. No. 236. The motion prevailed.

Mr. Benson moved that the name of Mr. Spear be added as a co-author to S.F. No. 239. The motion prevailed.

Mr. Moe, D.M. moved that the name of Mr. Frank be added as a co-author to S.F. No. 258. The motion prevailed.

Mr. Chmielewski moved that the name of Ms. Piper be added as a co-author to S.F. No. 266. The motion prevailed.

Mr. Marty moved that the name of Mr. Spear be added as a co-author to S.F. No. 276. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 277. The motion prevailed.

Mr. Anderson introduced—

Senate Resolution No. 38: A Senate resolution congratulating Wadena Elementary School for being selected as an outstanding school by the United States Department of Education.

Referred to the Committee on Rules and Administration.

Mr. Merriam moved that S.F. No. 1, on General Orders, be stricken and re-referred to the Committee on Governmental Operations. 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. 1, which the committee recommends to pass, after the following motion:

Mr. Spear moved that the amendment made to H.F. No. 1 by the Committee on Rules and Administration in the report adopted January 26, 1989, 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.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mrs. McQuaid, Ms. Olson and Mr. Knaak introduced—

S.F. No. 282: A bill for an act relating to taxation; property tax refund; changing the refund schedule and income limit; amending Minnesota Statutes 1988, section 290A.04, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Ramstad introduced—

S.F. No. 283: A bill for an act relating to education; establishing a task force to study financial aid; appropriating money.

Referred to the Committee on Education.

Messrs. Vickerman, Bertram and Beckman introduced—

S.F. No. 284: A bill for an act relating to veterans; directing the establishment of three new regional veterans homes; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Beckman, Bertram and Vickerman introduced—

S.F. No. 285: A bill for an act relating to veterans; requiring cost-of-living increases in certain veterans benefits; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

Referred to the Committee on Veterans and Military Affairs.

Mr. Bertram introduced—

S.F. No. 286: A bill for an act relating to the military; clarifying the authority of the adjutant general to establish the pay grade for certain staff positions; amending Minnesota Statutes 1988, section 190.08, subdivision 6.

Referred to the Committee on Veterans and Military Affairs.

Mr. Chmielewski introduced—

S.F. No. 287: A bill for an act relating to employment; prohibiting employers from charging fees for employment applications; providing that work over 40 hours a week is overtime; amending Minnesota Statutes 1988, sections 177.25, subdivision 1; and 181.031.

Referred to the Committee on Employment.

Mr. Vickerman introduced—

S.F. No. 288: A bill for an act relating to state government; designating the timber wolf as the official state animal; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 289: A bill for an act relating to trusts; providing for their creation, validity, administration, and supervision; providing for the sale of real property; relating to legal estates in real and personal property; relating to estates; amending Minnesota Statutes 1988, sections 500.17, subdivision 2; and 502.73; proposing coding for new law as Minnesota Statutes, chapter 501B; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1988, sections 500.13; 501.01; 501.02; 501.03; 501.04; 501.05; 501.06; 501.07; 501.08; 501.09; 501.10; 501.11; 501.115; 501.12; 501.125; 501.13; 501.14; 501.15; 501.155; 501.16; 501.17; 501.18; 501.19; 501.195; 501.20; 501.21; 501.211; 501.22; 501.23; 501.24; 501.25; 501.26; 501.27; 501.28; 501.29; 501.30; 501.31; 501.32; 501.33; 501.34; 501.35; 501.351; 501.36; 501.37; 501.38; 501.39; 501.40; 501.41; 501.42; 501.43; 501.44; 501.45; 501.46; 501.461; 501.48; 501.49; 501.50; 501.51; 501.52; 501.53; 501.54; 501.55; 501.56; 501.57; 501.58; 501.59; 501.60; 501.61; 501.62; 501.63; 501.64; 501.65; 501.66; 501.67; 501.71; 501.72; 501.73; 501.74; 501.75; 501.76; 501.77; 501.78; 501.79; 501.80; 501.805; 501.81; 501A.01; 501A.02; 501A.03; 501A.04; 501A.05; 501A.06; and 501A.07.

Referred to the Committee on Judiciary.

Messrs. Diessner, Novak, Pogemiller, Brandl and Stumpf introduced—

S.F. No. 290: A bill for an act relating to government finance; making property tax and levy limits technical corrections and clarifications; changing property tax administration; changing certain certification dates; changing certain effective dates; providing for local assessment of railroad operating property; adjusting certain debt limits to correspond to gross tax capacities; clarifying certain debt limitation computations; imposing and increasing tax filing and payment penalties; amending Minnesota Statutes 1988, sections 124.43, subdivision 1; 124A.03, subdivision 2; 256.018; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.12, subdivision 2; 272.01, subdivision 2; 272.02, subdivision 1; 273.124, subdivisions 6 and 13; 273.13, subdivisions 22 and 24; 273.135, subdivisions 2 and 2a; 273.1391, subdivisions 2 and 2a; 273.1393; 273.1398, subdivisions 1 and 4; 274.01, subdivision 1; 275.28, subdivision 1; 275.51, subdivisions 3f, 3h, and 3i; 275.58, subdivision 1; 278.03; 278.05, subdivision 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 375.192, subdivision 2; 410.32; 412.301; 469.176, subdivision 4c; 469.177, subdivision 1a; and 475.53, subdivisions 1 and 4; 477A.013, subdivision 1; Laws 1988, chapter 719, article 8, section 37; and article 12, sections 29 and 30; proposing coding for new law in Minnesota Statutes, chapters 276; and 475; repealing Minnesota Statutes 1988, sections 270.80; 270.81; 270.82; 270.83; 270.84; 270.85; 270.86; 270.87; 270.88; 270.89; 275.57; 275.58, subdivision 4; 276.13; and 276.14; and Laws 1988, chapter 719, article 8, section 35.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Diessner and Laidig introduced—

S.F. No. 291: A bill for an act relating to state lands; allowing counties to recover costs related to tax-forfeited lands bordering public waters; appropriating money; amending Minnesota Statutes 1988, section 282.018.

Referred to the Committee on Environment and Natural Resources.

Messrs. Marty and Frank introduced—

S.F. No. 292: A bill for an act relating to utilities; requiring certificate of need for electric generating plants located outside Minnesota and serving Minnesota customers; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

Mr. Taylor introduced—

S.F. No. 293: A bill for an act relating to unclaimed property; providing for the disposition of unclaimed money held by counties; amending Minnesota Statutes 1988, section 345.38, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Messrs. Stumpf, Morse, Berg, Ms. Piper and Mr. Anderson introduced—

S.F. No. 294: A bill for an act relating to animals; clarifying the liability for certain damages; increasing a penalty; amending Minnesota Statutes 1988, section 346.56.

Referred to the Committee on Judiciary.

Ms. Piper introduced—

S.F. No. 295: A bill for an act relating to the city of Austin; permitting payment of certain development expenses.

Referred to the Committee on Economic Development and Housing.

Messrs. Berg, Merriam and Vickerman introduced—

S.F. No. 296: A bill for an act relating to game and fish; disallowing refunds on angling licenses paid by a person age 65 or older; amending Minnesota Statutes 1988, section 97A.485, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Messrs. Berg, Merriam, Benson, Vickerman and Metzen introduced—

S.F. No. 297: A bill for an act relating to game and fish; authorizing party hunting for small game; authorizing party fishing by spearing and angling; proposing coding for new law in Minnesota Statutes, chapters 97B and 97C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Bertram and Pehler introduced—

S.F. No. 298: A bill for an act relating to veterans; providing for establishment of a veterans home in St. Cloud; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

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

S.F. No. 299: 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 1988, 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.

Mr. Hughes introduced—

S.F. No. 300: A bill for an act relating to crimes; repealing law regulating dance halls; repealing Minnesota Statutes 1988, sections 624.42 to 624.54.

Referred to the Committee on General Legislation and Public Gaming.



Messrs. Freeman and Belanger introduced—

S.F. No. 301: A bill for an act relating to local government; permitting bank letters of credit in lieu of certain bonds; proposing coding for new law in Minnesota Statutes, chapter 574.

Referred to the Committee on Local and Urban Government.

Messrs. Belanger and Freeman introduced—

S.F. No. 302: A bill for an act relating to data privacy; classifying financial information submitted by applicants to licensing agencies as private; amending Minnesota Statutes 1988, section 13.41, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Johnson, D.E. introduced—

S.F. No. 303: A bill for an act relating to education; providing for phase II of the cooperative secondary facilities grant act; authorizing state bonds for the purpose; appropriating money.

Referred to the Committee on Education.

Messrs. Pogemiller; Fredrickson, D.J.; Vickerman; Morse and DeCramer introduced—

S.F. No. 304: A bill for an act relating to crimes; sentencing; increasing the minimum parole eligibility date for persons serving a life sentence; permitting courts to sentence certain repeat offenders to longer periods of incarceration; increasing penalties for persons who commit assault in the first degree; amending Minnesota Statutes 1988, sections 244.05, subdivision 4; and 609.221; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

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

S.F. No. 305: A bill for an act relating to retirement; certain local relief associations in certain cities of the first class; authorizing annual postretirement payments based on investment performance; adjusting certain requirements governing the preparation of actuarial valuations and the calculation of municipal funding requirements; amending Minnesota Statutes 1988, sections 69.031, subdivision 5; 69.77, subdivision 2b; 356.216; and 423A.01, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Hughes introduced—

S.F. No. 306: A bill for an act relating to outdoor recreation; appropriating funds for development of a certain segment of the Willard Munger State Trail.

Referred to the Committee on Finance.

Messrs. Moe, D.M.; Morse; Pogemiller and Renneke introduced—

S.F. No. 307: 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 1988, 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, subdivisions 1 and 1a; 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; 356.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1988, section 353.30, subdivisions 1a, 1b, and 1c.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 308: A bill for an act relating to consumer protection; regulating layaway sales; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Messrs. Johnson, D.E. and Bertram introduced—

S.F. No. 309: A bill for an act relating to the city of Sauk Centre; permitting the city to levy a tax for the city library; imposing a reverse referendum requirement.

Referred to the Committee on Local and Urban Government.

Mr. Merriam introduced—

S.F. No. 310: A bill for an act relating to retirement; excluding members of the Anoka-Champlin joint volunteer fire department from membership in the public employees retirement association.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 311: A bill for an act relating to data practices; providing that victims of criminal sexual conduct have access to the assailant's medical data concerning testing for HIV antibody and sexually transmitted diseases; amending Minnesota Statutes 1988, sections 13.42, by adding a subdivision; and 144.335, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Merriam; Peterson, R.W.; Chmielewski; Mrs. Lantry and Mr. Storm introduced—

S.F. No. 312: A bill for an act relating to employment; providing for employee review of personnel records; regulating use of personnel records;

requiring removal or correction of false information; limiting records of nonemployment activities; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Messrs. Luther, Solon, Ms. Peterson, D.C.; Messrs. Morse and Ramstad introduced—

S.F. No. 313: A bill for an act relating to occupations and professions; requiring the licensing of interior designers; defining the practice of interior design; providing for administration of licensing requirements; amending Minnesota Statutes 1988, sections 214.01, subdivision 3; 214.04, subdivision 3; 326.02, subdivision 1, and by adding a subdivision; 326.03, subdivision 1; 326.031; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 2a; 326.11, subdivision 1; 326.12; 326.13; and 326.14.

Referred to the Committee on Commerce.

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

S.F. No. 314: A bill for an act relating to crime; sentencing; increasing the minimum parole eligibility date for persons serving a life sentence for first degree murder; permitting courts to sentence certain dangerous offenders and career criminals to longer periods of incarceration; providing an earlier effective date for increases in lengths of presumptive prison sentences and in criminal history points for violent offenses under the sentencing guidelines; disapproving action of sentencing guidelines commission in modifying method of computing criminal history scores for certain offenses; increasing statutory maximum sentences for the crimes of failure to report an accident, failure to use a drug stamp, possessing explosives, restraint of trade, manslaughter in the second degree, assault, child abuse, manslaughter of an unborn child, assault of an unborn child, criminal sexual conduct in the fourth degree, perjury, fleeing a peace officer, negligently causing a fire, and bribery; amending Minnesota Statutes 1988, sections 169.09, subdivision 14; 244.05, subdivision 4; 297D.09, subdivision 1a; 299F80, subdivision 1; 325D.56, subdivision 2; 609.205; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665; 609.267; 609.323, subdivision 1; 609.345, subdivision 2; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.576; 609.62, subdivision 2; and 609.86, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 244 and 609.

Referred to the Committee on Judiciary.

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

S.F. No. 315: A bill for an act relating to crime victims; modifying the limitations provision governing damage actions brought by sexual assault victims; requiring that victims of crimes against the person be informed of the conditions governing the convicted offender's release from confinement and the identity of the corrections agent supervising the offender; requiring that sexual assault victims be notified when the alleged sex offender is released from pretrial detention; amending Minnesota Statutes 1988,

sections 541.07; and 611A.06; proposing coding for new law in Minnesota Statutes, chapters 541 and 629.

Referred to the Committee on Judiciary.

Ms. Reichgott introduced—

S.F. No. 316: A bill for an act relating to children; controlled substances; requiring reporting of newborns with signs of controlled substance exposure; limiting liability of medical personnel administering toxicology tests on newborns; requiring an education program to prevent harm to unborn children from prenatal exposure to controlled substances and alcohol; amending Minnesota Statutes 1988, section 626.556, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 121 and 626.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 317: A bill for an act relating to public employment; labor relations; prohibiting retroactive application of contracts; amending Minnesota Statutes 1988, section 179A.20, subdivision 6.

Referred to the Committee on Governmental Operations.

Mr. Peterson, R.W. introduced—

S.F. No. 318: A bill for an act relating to education; clarifying the referendum levy language; creating a conversion method; amending Minnesota Statutes 1988, section 124A.03.

Referred to the Committee on Education.

Mr. Berg introduced—

S.F. No. 319: A bill for an act relating to agriculture; authorizing a grasshopper control program; providing inspection and control of plant pests in the same manner as noxious weeds; providing for inspection, control, and enforcement of noxious weeds and plant pests; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18.022, subdivision 2; 84.0895, subdivision 2; and 160.02, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1988, sections 18.171 to 18.315; Revised Laws of Minnesota 1905, sections 2385, 2386, 2387, 2388, 2389, and 2390.

Referred to the Committee on Agriculture and Rural Development.

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

S.F. No. 320: A bill for an act relating to crimes; criminal sexual conduct; providing intensive sex offender treatment programs within the correctional system; providing for specialized probation and corrections agents to supervise released sex offenders; requiring the collection of data on the treatment and recidivism rates of convicted sex offenders; extending the jurisdiction of the juvenile court over sex offenders until their 21st birthday; providing a centralized reporting system for juvenile felony offenders; requiring the bureau of criminal apprehension to develop uniform procedures for the

collection and analysis of DNA typing evidence; providing for the admissibility of such evidence; increasing penalties for criminal sexual conduct offenses; permitting courts to sentence dangerous or patterned sex offenders to longer periods of incarceration and supervision; creating a legislative commission to study the child protection system; appropriating money for the development of a DNA profiling laboratory and for a public information campaign against sexual violence; amending Minnesota Statutes 1988, sections 260.161, subdivision 1; 260.181, subdivision 4; 260.185, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; and 609.345, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 241; 242; 299C; 609; and 634.

Referred to the Committee on Judiciary.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 2, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## NINTH DAY

St. Paul, Minnesota, Thursday, February 2, 1989

The Senate met at 2:00 p.m. and was called to order by the President.  
Prayer was offered by the Chaplain, Rev. James D. Gorman.

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

Adkins	Davis	Knaak	Moe, D.M.	Renneke
Anderson	Decker	Knutson	Moe, R. D.	Samuelson
Beckman	DeCramer	Laidig	Morse	Schmitz
Belanger	Dicklich	Langseth	Novak	Solon
Benson	Diessner	Lantry	Olson	Spear
Berg	Frank	Larson	Pariseau	Storm
Berglin	Frederick	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Marty	Peterson, R. W.	Vickerman
Brandl	Freeman	McGowan	Piper	Waldorf
Brataas	Gustafson	McQuaid	Pogemiller	
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. Kroening was excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 27, 1989

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. 83.

Sincerely,  
Rudy Perpich, Governor

January 31, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
83	40	I Res. No. 1	1537 hours January 30 0945 hours January 27	January 30 January 30

Sincerely,  
Joan Anderson Growe  
Secretary of State

January 19, 1989

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:

Cynthia Kitlinski, 9600 Flintwood St. N.W., Coon Rapids, Anoka County, has been appointed by me, effective January 24, 1989, for a term expiring the first Monday in January, 1995.

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

January 19, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Lorraine Mayasich, 3421 Kent St., Shoreview, Ramsey County, has been appointed by me, effective January 24, 1989, for a term expiring the first Monday in January, 1995.

(Referred to the Committee on Transportation.)

January 30, 1989

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. Luther 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 Files, herewith transmitted: H.F. Nos. 14 and 22.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 30, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 14: A bill for an act relating to crimes; restitution; revising current procedures relating to the ordering and collection of restitution; amending Minnesota Statutes 1988, sections 260.185, subdivisions 1 and 3a; 609.135, subdivision 1a; 611A.04, subdivisions 1, 2, and 3; and 611A.045; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Judiciary.

H.F. No. 22: A bill for an act relating to crimes; prohibiting unauthorized access to computers; imposing penalties; amending Minnesota Statutes 1988, sections 609.531, subdivision 1; and 609.87, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

### MOTIONS AND RESOLUTIONS

Mr. Metzen moved that the name of Mr. Morse be added as a co-author to S.F. No. 128. The motion prevailed.

Mr. Frank moved that the name of Mr. Novak be added as a co-author to S.F. No. 163. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Diessner be added as a co-author to S.F. No. 284. The motion prevailed.

Mr. Beckman moved that the name of Mr. Diessner be added as a co-author to S.F. No. 285. The motion prevailed.

Mr. Merriam moved that the names of Messrs. Pehler and Novak be



added as co-authors to S.F. No. 311. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Solon be added as a co-author to S.F. No. 314. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Solon be added as a co-author to S.F. No. 315. The motion prevailed.

Ms. Reichgott moved that the name of Ms. Piper be added as a co-author to S.F. No. 316. The motion prevailed.

Ms. Peterson, D.C. introduced—

Senate Resolution No. 39: A Senate resolution proclaiming Thursday, February 2, 1989, as Girls and Women in Sports Day.

Referred to the Committee on Rules and Administration.

Mr. Spear moved that the name of Mr. McGowan be added as a co-author to S.F. No. 320. The motion prevailed.

### CALENDAR

H.F. No. 1: A bill for an act relating to courts; reenacting the statutory provision authorizing six member juries in nonfelony cases; reenacting Minnesota Statutes 1988, section 593.01, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

S.F. No. 25: A bill for an act relating to the legislature; correcting inaccurate references to senate committees; removing an obsolete reference to senate and house committees; amending Minnesota Statutes 1988, sections 97A.045, subdivision 8; 97A.065, subdivision 3; 116E.035; and 480.256.

Was read the third time 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	Purfeerst
Anderson	Davis	Knaak	Metzen	Ramstad
Beckman	Decker	Knutson	Moe, D.M.	Reichgott
Belanger	DeCramer	Laidig	Moe, R.D.	Renneke
Benson	Dicklich	Langseth	Morse	Samuelson
Berg	Diessner	Lantry	Novak	Schmitz
Berglin	Frank	Larson	Olson	Spear
Bernhagen	Frederick	Lessard	Pariseau	Storm
Bertram	Frederickson, D.J.	Luther	Pehler	Stumpf
Brandl	Frederickson, D.R.	Marty	Peterson, D.C.	Taylor
Brataas	Freeman	McGowan	Peterson, R.W.	Vickerman
Chmielewski	Hughes	McQuaid	Piper	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	

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. 28, which the committee recommends to pass, subject to the following motions:

Mr. Brandl moved to amend S.F. No. 28 as follows:

Page 9, delete lines 18 to 20 and insert:

*“A decision to administer, withhold, or withdraw medical treatment in reliance on a patient’s declaration after the patient has been diagnosed by the attending physician to be in a terminal condition must always be based on reasonable medical practice, including:”*

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 28 as follows:

Page 9, line 25, delete “. If a”

Page 9, delete lines 26 and 27

Page 9, line 28, delete everything before the semicolon

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend S.F. No. 28 as follows:

Page 2, after line 8, insert:

*“Subd. 8. [LIFE-SUSTAINING TREATMENT.] “Life-sustaining treatment” means any form of medical treatment or care necessary to sustain the life of a person other than the provision of sustenance.*

*Subd. 9. [QUALIFIED PATIENT.] “Qualified patient” means a patient who has executed a declaration in accordance with this chapter and has been diagnosed by a physician to be in a terminal condition.*

*Subd. 10. [SUSTENANCE.] “Sustenance” means any form of nutrition and hydration other than that provided by hyperalimentation.”*

Page 2, line 9, delete “8” and insert “11”

Page 2, delete lines 10 to 12 and insert “any condition that results from an illness or injury from which the person will die within a reasonably

*short time whether or not life-sustaining treatment is administered."*

Page 9, line 24, delete "*food or water*" and insert "*sustenance*"

Page 9, after line 34, insert:

"Sec. 14. [145B.14] [PROVISION OF SUSTENANCE.]

*It is presumed in every case, whether or not a declaration has been executed, that an incompetent person has directed that sustenance necessary to sustain life be provided to the person unless:*

*(1) there exists clear and convincing evidence that the person, while fully competent, specifically rendered informed consent to forego sustenance in the person's present condition;*

*(2) the person has a terminal condition and has executed a declaration that specifically refuses sustenance upon diagnosis of a terminal condition;*

*(3) the person has a terminal condition and foregoing sustenance will not result in death by dehydration or malnutrition; or*

*(4) the sustenance cannot be assimilated, or administration of the sustenance is not medically feasible, would shorten life, or would cause significant, long-lasting, intractable pain to the person."*

Page 9, line 35, delete "145B.14" and insert "145B.15"

Page 10, line 2, delete "145B.15" and insert "145B.16"

Page 10, line 8, delete "145B.16" and insert "145B.17"

Page 10, line 12, delete "145B.17" and insert "145B.18"

Renumber the sections in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Langseth	Pariseau	Taylor
Anderson	Frederickson, D.R.	Lessard	Pehler	Waldorf
Beckman	Johnson, D.J.	McGowan	Renneke	
Bernhagen	Knaak	McQuaid	Samuelson	
Bertram	Knutson	Metzen	Schmitz	
Dahl	Laidig	Olson	Stumpf	

Those who voted in the negative were:

Belanger	Decker	Hughes	Moe, D.M.	Purfeerst
Benson	DeCramer	Johnson, D.E.	Moe, R.D.	Ramstad
Berg	Dicklich	Lantry	Morse	Reichgott
Berglin	Diessner	Larson	Novak	Solon
Brandl	Frederick	Luther	Peterson, D.C.	Spear
Brataas	Frederickson, D.J.	Marty	Peterson, R.W.	Storm
Cohen	Freeman	Mehrkens	Piper	Vickerman
Davis	Gustafson	Merriam	Pogemiller	

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

Mr. Brandl moved to amend the Brandl amendment to S.F. No. 28, adopted by the Senate February 2, 1989, as follows:

Page 1, line 3, before "A" insert "*In reliance on a patient's declaration,*"

Page 1, line 4, delete "*in reliance on a patient's declaration*"

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

Mr. Knaak moved to amend S.F. No. 28 as follows:

Page 3, line 5, delete "SUGGESTED" and insert "STATUTORY"

Page 3, line 6, delete "may" and insert "must"

Page 3, line 7, delete everything after the period

Page 3, delete line 8

Page 4, after line 29, insert:

*"(4) I particularly want to have the following kinds of life-sustaining treatment if I am diagnosed to have a terminal condition (you may list the specific types of life-sustaining treatment that you do want if you have a terminal condition):*

.....  
.....  
.....

*(5) I particularly do not want the following kinds of life-sustaining treatment if I am diagnosed to have a terminal condition (you may list the specific types of life-sustaining treatment that you do not want if you have a terminal condition):*

.....  
.....  
.....

*(6) I recognize that if I reject artificially administered sustenance, then I may die of dehydration or malnutrition rather than from my illness or injury. The following are my feelings and wishes regarding artificially administered sustenance should I have a terminal condition (you may indicate whether you wish to receive food and fluids given to you in some other way than by mouth if you have a terminal condition):*

.....  
.....  
.....

Page 4, line 30, delete "4" and insert "7"

Page 5, line 2, delete "5" and insert "8"

Mr. Merriam requested division of the Knaak amendment as follows:

First portion:

Page 3, line 5, delete "SUGGESTED" and insert "STATUTORY"

Page 3, line 6, delete "may" and insert "must"

Page 3, line 7, delete everything after the period

Page 3, delete line 8

Second portion:

Page 4, after line 29, insert:

*“(4) I particularly want to have the following kinds of life-sustaining treatment if I am diagnosed to have a terminal condition (you may list the specific types of life-sustaining treatment that you do want if you have a terminal condition):*

.....  
.....  
.....

*(5) I particularly do not want the following kinds of life-sustaining treatment if I am diagnosed to have a terminal condition (you may list the specific types of life-sustaining treatment that you do not want if you have a terminal condition):*

.....  
.....  
.....

*(6) I recognize that if I reject artificially administered sustenance, then I may die of dehydration or malnutrition rather than from my illness or injury. The following are my feelings and wishes regarding artificially administered sustenance should I have a terminal condition (you may indicate whether you wish to receive food and fluids given to you in some other way than by mouth if you have a terminal condition):*

.....  
.....  
.....

Page 4, line 30, delete “4” and insert “7”

Page 5, line 2, delete “5” and insert “8”

The question was taken on the adoption of the first portion of the Knaak amendment.

The roll was called, and there were yeas 25 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Laidig	Metzen	Schmitz
Anderson	Frank	Langseth	Pariseau	Stumpf
Beckman	Frederickson, D.R.	Lessard	Pehler	Taylor
Bernhagen	Johnson, D.J.	McGowan	Renneke	Vickerman
Bertram	Knaak	McQuaid	Samuelson	Waldorf

Those who voted in the negative were:

Belanger	Davis	Gustafson	Mehrkens	Piper
Benson	Decker	Hughes	Merriam	Pogemiller
Berg	DeCramer	Johnson, D.E.	Moe, D.M.	Purfeerst
Berglin	Dicklich	Knutson	Moe, R.D.	Ramstad
Brandl	Diessner	Lantry	Morse	Reichgott
Brataas	Frederick	Larson	Novak	Spear
Cohen	Frederickson, D.J.	Luther	Peterson, D.C.	Storm
Dahl	Freeman	Marty	Peterson, R.W.	

The motion did not prevail. So the first portion of the Knaak amendment

was not adopted.

The question was taken on the adoption of the second portion of the Knaak amendment.

The motion prevailed. So the second portion of the Knaak amendment was adopted.

Mr. Luther moved to amend S.F. No. 28 as follows:

Page 3, line 20, before the comma, insert "*and that person agrees to serve as your proxy*"

Page 3, line 32, after "*disclosure*" insert "*for purposes related to your health care or insurance*"

Page 5, line 19, after "*above*" insert "*refuses or*"

Page 7, line 8, after "*decisions*" insert "*and who agrees to serve as proxy*"

Page 8, line 1, before the period, insert "*for purposes related to the declarant's health care or insurance*"

The motion prevailed. So the amendment was adopted.

Mrs. McQuaid moved to amend S.F. No. 28 as follows:

Page 9, line 30, delete "*unless the declaration otherwise provides,*"

Page 9, line 33, delete "*probable*" and insert "*possible*"

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.

Ms. Berglin introduced—

S.F. No. 321: A bill for an act relating to public nuisances; expanding the nuisance law to include prior convictions for certain drug and liquor offenses; amending Minnesota Statutes 1988, section 617.81, subdivision 2.

Referred to the Committee on Judiciary.

Ms. Piper introduced—

S.F. No. 322: A bill for an act relating to utilities; establishing circumstances under which certain utility customers may be considered as being located outside municipalities.

Referred to the Committee on Public Utilities and Energy.

Messrs. Lessard, Merriam, Berg and Stumpf introduced—

S.F. No. 323: A bill for an act relating to natural resources; establishing a prescribed burn program; requiring permits for prescribed burns; providing assistance for prescribed burns; establishing the position of prescribed burn coordinator; appropriating money; amending Minnesota Statutes 1988, section 84.97.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 324: A bill for an act relating to education; requiring representation from each congressional district on the regent candidate advisory council; amending Minnesota Statutes 1988, section 137.0245, subdivision 2.

Referred to the Committee on Education.

Mr. Samuelson introduced—

S.F. No. 325: A bill for an act relating to public employees; providing that public safety dispatchers are essential employees; amending Minnesota Statutes 1988, section 179A.03, subdivision 7.

Referred to the Committee on Governmental Operations.

Mr. Merriam, Ms. Peterson, D.C.; Messrs. Spear and Marty introduced—

S.F. No. 326: A bill for an act relating to juveniles; prohibiting the detention of juveniles in jails or lockups for longer than 24 hours; providing an exception for juveniles against whom a reference motion is pending; amending Minnesota Statutes 1988, sections 260.171, subdivisions 2 and 4; 260.172, subdivisions 1 and 2; and 260.173, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Knaak introduced—

S.F. No. 327: A bill for an act relating to cities; removing an annexation provision; repealing Minnesota Statutes 1988, section 414.061, subdivision 5.

Referred to the Committee on Local and Urban Government.

Messrs. Mehrkens, Morse, Frederickson, D.J. and Bernhagen introduced—

S.F. No. 328: A bill for an act relating to agriculturally derived ethyl alcohol; clarifying eligibility for producer payments; defining terms; amending Minnesota Statutes 1988, section 41A.09, subdivisions 2 and 3.

Referred to the Committee on Agriculture and Rural Development.

Mr. Diessner, Ms. Piper, Messrs. Ramstad, Frank and Pehler introduced—

S.F. No. 329: A bill for an act relating to employment; limiting the employment hours of certain minors during the school year; amending

Minnesota Statutes 1988, sections 181A.04, by adding a subdivision; and 181A.12, subdivision 1.

Referred to the Committee on Employment.

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

S.F. No. 330: A bill for an act relating to crimes; providing for termination, cancellation, and forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1988, sections 559.21, by adding a subdivision; 566.02; 609.531; 609.5311, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 566 and 609.

Referred to the Committee on Judiciary.

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

S.F. No. 331: A bill for an act relating to notaries public; eliminating the requirement that notaries be bonded; amending Minnesota Statutes 1988, sections 359.02 and 359.071.

Referred to the Committee on Judiciary.

Mr. Stumpf introduced—

S.F. No. 332: A bill for an act relating to game and fish; open season for walleyed pike on the Rainy River; amending Minnesota Statutes 1988, section 97C.403, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 333: A bill for an act relating to retirement; public retirement plans and funds; prohibiting officers and employees of plans and funds from serving for compensation as directors or officers of outside corporations or associations; amending Minnesota Statutes 1988, section 356.001, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. McGowan, Mrs. McQuaid and Mr. Kroening introduced—

S.F. No. 334: A bill for an act relating to taxation; income; repealing the subtraction for elderly and disabled and reinstating the pension exclusion; amending Minnesota Statutes 1988, sections 290.01, subdivision 19b, and by adding a subdivision; and 290.032, subdivision 2; repealing Minnesota Statutes 1988, sections 290.0802 and 424A.10.

Referred to the Committee on Taxes and Tax Laws.

Mr. Cohen introduced—

S.F. No. 335: A bill for an act relating to crimes; providing that the factfinder may consider certain circumstances in determining whether a person is soliciting for prostitution in a public place; providing that soliciting a prostitute in a primarily residential area is a gross misdemeanor for a first offense and a felony for a second or subsequent offense; providing that



a motor vehicle used by a defendant while practicing prostitution is subject to forfeiture; amending Minnesota Statutes 1988, sections 609.324, subdivision 2, and by adding a subdivision; and 609.531, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 336: A bill for an act relating to crimes; requiring the court to order the preparation of a presentence investigation report in gross misdemeanor and misdemeanor cases when requested by the prosecutor; amending Minnesota Statutes 1988, section 609.115, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 337: A bill for an act relating to crime; enhancing penalties for offenders who unlawfully distribute controlled substances on school premises, at bus stops, or enroute to or from school; making possession and use of dangerous weapons while involved in unlawful controlled substance transactions a separate crime; requiring the attorney general to draft and disseminate a plain language version of these laws; amending Minnesota Statutes 1988, section 152.15, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 152.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 338: A bill for an act relating to taxation; requiring assessors to consider environmental factors when valuing property; amending Minnesota Statutes 1988, section 273.11, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon, Ramstad, Pogemiller, Mses. Reichgott and Piper introduced—

S.F. No. 339: A bill for an act relating to health; including anabolic steroids in the list of controlled substances; amending Minnesota Statutes 1988, section 152.02, subdivision 5.

Referred to the Committee on Health and Human Services.

Mr. Lessard, Mrs. Lantry, Messrs. DeCramer and Bertram introduced—

S.F. No. 340: A bill for an act relating to veterans; clarifying the treatment of certain settlement payments for the purposes of certain assistance programs and benefits; proposing coding for new law in Minnesota Statutes, chapter 196.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Lessard and Bertram introduced—

S.F. No. 341: A bill for an act relating to veterans; appropriating money for bronze star grave markers.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Dahl, Freeman, Luther and Marty introduced—

S.F. No. 342: A bill for an act relating to health; requiring a person to be licensed to perform radon work; regulating radon testing and mitigation work; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 343: A bill for an act relating to education; providing a resident district with notice of a pupil's participation in the enrollment options program; amending Minnesota Statutes 1988, section 120.062, subdivision 6.

Referred to the Committee on Education.

Messrs. Stumpf, Morse and Laidig introduced—

S.F. No. 344: A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 345: A bill for an act relating to health; providing for the distribution of maternal and child health block grant funds; amending Minnesota Statutes 1988, section 145.882, subdivisions 1, 3, and 7.

Referred to the Committee on Health and Human Services.

Mr. Samuelson introduced—

S.F. No. 346: A bill for an act relating to traffic regulations; authorizing use of studded or wire-embedded tires on emergency vehicles during winter months; amending Minnesota Statutes 1988, section 169.72, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Vickerman and Ms. Piper introduced—

S.F. No. 347: A bill for an act relating to health; requiring post-secondary students to submit a statement of immunization; providing exemptions; amending Minnesota Statutes 1988, sections 120.102, subdivision 1; and 123.70, subdivisions 1, 2, 4, 9, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Ms. Berglin, Messrs. Luther, Dahl, Mrs. McQuaid and Mr. Solon introduced—

S.F. No. 348: 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 1988, section 60A.14, subdivision 1, and by adding a subdivision; and 256.9742, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Waldorf and Mrs. Lantry introduced—

S.F. No. 349: A bill for an act relating to retirement; St. Paul police survivor benefits; amending Laws 1955, chapter 151, section 13, as amended.

Referred to the Committee on Governmental Operations.

Messrs. Pogemiller, Frank, Bernhagen, Morse and Moe, R.D. introduced—

S.F. No. 350: A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing housing courts, rent escrow systems, and building repair fines as demonstration projects in Hennepin and Ramsey counties; reducing property taxes on certain types of residential rental property; authorizing a tax levy for public housing; establishing a fair housing education and public information program; requiring housing impact statements; revising certain housing receivership provisions; changing notice and redemption provisions for certain types of properties; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 273.13, subdivision 25; 462A.05, subdivision 27, and by adding subdivisions; 462A.201, subdivision 5; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 463.21; 469.012, subdivision 1; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 580.031; and 580.23, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 256; 462C; 471; 504; and 566.

Referred to the Committee on Economic Development and Housing.

Mrs. Lantry introduced—

S.F. No. 351: A bill for an act relating to horse racing; allowing certain money in the breeders fund to be expended for equine promotion; amending Minnesota Statutes 1988, section 240.18.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. Lantry introduced—

S.F. No. 352: A bill for an act relating to charitable gambling; allowing licensed organizations to conduct casino nights under specified conditions; allowing organizations to use profits derived from a casino night to maintain and repair real property that they own or lease; amending Minnesota Statutes 1988, sections 349.12, subdivisions 2, 15, and by adding a subdivision; and 349.214, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Spear, Cohen, Dahl and Ms. Peterson, D.C. introduced—

S.F. No. 353: A bill for an act relating to commerce; requiring businesses offering check cashing services to be licensed; establishing a maximum fee to be charged for check cashing services; proposing coding for new law as Minnesota Statutes, chapter 55A.

Referred to the Committee on Commerce.

Mr. Merriam introduced—

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

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 355: A bill for an act relating to probate; enacting the succession without administration provisions of the uniform probate code; proposing coding for new law in Minnesota Statutes, chapter 524.

Referred to the Committee on Judiciary.

Mr. Metzen introduced—

S.F. No. 356: A bill for an act relating to education; establishing a basic revenue formula allowance for fiscal years 1990 and 1991; revising the training and experience revenue formula; amending Minnesota Statutes 1988, section 124A.22, subdivisions 2 and 4.

Referred to the Committee on Education.

Mr. Freeman introduced—

S.F. No. 357: A bill for an act relating to the capital budget; creating a legislative building commission; appropriating money; amending Minnesota Statutes 1988, section 16A.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Governmental Operations.

Messrs. Solon, Purfeerst, Spear and Metzen introduced—

S.F. No. 358: A bill for an act relating to liquor; license eligibility; places and times of sale; sampling; amending Minnesota Statutes 1988, sections 340A.402; 340A.405, subdivision 1; 340A.504, subdivisions 2 and 4; and 340A.510.

Referred to the Committee on Commerce.

Mr. Merriam introduced—

S.F. No. 359: A bill for an act relating to environment; authorizing the agency to acquire real estate in certain instances; amending Minnesota Statutes 1988, sections 115B.17, by adding a subdivision; and 115B.20, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. McGowan, Mrs. McQuaid and Ms. Olson introduced—

S.F. No. 360: A bill for an act relating to crimes; criminal sexual conduct; imposing the penalty of life imprisonment without parole on persons convicted of a fourth criminal sexual conduct offense; increasing minimum sentences for other repeat sex offenders; permitting courts to stay execution of a portion of a repeat sex offender's sentence under certain circumstances; amending Minnesota Statutes 1988, sections 244.05, subdivisions 4 and 5; 609.342, subdivisions 2 and 3; 609.343, subdivisions 2 and 3; 609.344, subdivisions 2 and 3; 609.345, subdivisions 2 and 3; and 609.346.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S.F. No. 361: A bill for an act relating to insurance; no-fault auto; clarifying eligibility for economic loss benefits; amending Minnesota Statutes 1988, sections 65B.51, subdivision 2; and 65B.64, subdivisions 2 and 3.

Referred to the Committee on Commerce.

Mr. Metzen introduced—

S.F. No. 362: A bill for an act relating to taxation; individual income; modifying computation of the dependent care credit; indexing the offset for inflation; amending Minnesota Statutes 1988, section 290.067, subdivision 2, and by adding subdivisions.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 363: A bill for an act relating to human services; clarifying administrative and judicial review procedures; creating new procedures; amending Minnesota Statutes 1988, section 256.045, subdivisions 1, 3, 4, 4a, 5, 6, and 10, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Pogemiller, Freeman, Ramstad, Morse and Pehler introduced—

S.F. No. 364: A bill for an act relating to education; making educational policies negotiable terms and conditions of employment for professional employees; amending Minnesota Statutes 1988, sections 179A.03, subdivision 19; and 179A.07, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Pehler; Merriam; Peterson, R.W.; Johnson, D.E. and Freeman introduced—

S.F. No. 365: A bill for an act relating to education; establishing a state system of post-secondary vocational technical education; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1; 136C.02, subdivision 5; 136C.04, subdivisions 2, 3, 5, 12, 13, 14, and by adding a subdivision; 136C.08, subdivision 1; 136C.15; 136C.26, subdivision 5; 136C.31, subdivision 1; 136C.41, by adding a subdivision; 136C.42, subdivisions 3 and 4; 136C.44; 179A.10, subdivisions 1 and 2; and 275.125, subdivision 14a;

proposing coding for new law in Minnesota Statutes, chapter 136C; repealing Minnesota Statutes 1988, sections 136C.02, subdivisions 6, 7, 8, and 9; 136C.04, subdivision 16; 136C.041; 136C.05; 136C.07, subdivisions 1, 2, 3, 4, 5, 5a, and 6; 136C.25; 136C.29; 136C.36; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; and 136C.69.

Referred to the Committee on Education.

Messrs. Cohen and Spear introduced—

S.F. No. 366: A bill for an act relating to crimes; prohibiting the ownership, possession, or operation of semi-automatic assault rifles except under certain circumstances; amending Minnesota Statutes 1988, section 609.67, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Judiciary.

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

S.F. No. 367: A bill for an act relating to taxation; property; allowing agricultural homestead treatment in certain cases; amending Minnesota Statutes 1988, sections 273.124, subdivision 1, and by adding a subdivision; and 273.13, subdivision 23.

Referred to the Committee on Taxes and Tax Laws.

Mr. Luther introduced—

S.F. No. 368: A bill for an act relating to elections; providing a public subsidy for legislative candidates in special elections; amending Minnesota Statutes 1988, sections 10A.31, subdivision 5, and by adding a subdivision; and 10A.33.

Referred to the Committee on Elections and Ethics.

## ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 6, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TENTH DAY

St. Paul, Minnesota, Monday, February 6, 1989

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

Prayer was offered by the Chaplain, Rev. William F. Moeller.

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.	Samuelson
Beckman	DeCramer	Laidig	Morse	Schmitz
Belanger	Dicklich	Langseth	Novak	Solon
Benson	Diessner	Lantry	Olson	Spear
Berg	Frank	Larson	Pariseau	Storm
Berglin	Frederick	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	Hughes	McQuaid	Pogemiller	
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	
Cohen	Johnson, D.J.	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

Mr. Freeman 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. 27, 95, 97 and 113.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 2, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 27: A bill for an act relating to crimes: expanding the definition

of "bodily harm" in the crime of third degree assault of an unborn child to include premature birth; amending Minnesota Statutes 1988, section 609.2672.

Referred to the Committee on Judiciary.

H.F. No. 95: A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

Referred to the Committee on Judiciary.

H.F. No. 97: A bill for an act relating to crimes; requiring the court to order the preparation of a presentence investigation report in gross misdemeanor cases when requested by the prosecutor; amending Minnesota Statutes 1988, section 609.115, subdivision 1.

Referred to the Committee on Judiciary.

H.F. No. 113: A bill for an act relating to local government; granting powers to towns; setting certain procedures; amending Minnesota Statutes 1988, sections 366.01, subdivision 7; 471.193, subdivision 2; 471.345, subdivision 5a; and 505.09, subdivision 1; repealing Minnesota Statutes 1988, section 368.121.

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. The motion prevailed.

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

S.F. No. 101: A bill for an act relating to human services; clarifying definition of community social services; requiring the commissioner to coordinate application procedures for various social services grants; amending Minnesota Statutes 1988, sections 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivision 1; and repealing Minnesota Statutes 1988, section 256E.08, subdivision 9.

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. 194: A bill for an act relating to human services; establishing new dates for payment rates for vendors of day training and habilitation services; imposing a requirement for variances from payment rates; allowing the commissioner to establish cost thresholds for community-based



services for persons with mental retardation; amending Minnesota Statutes 1988, sections 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 256B.501, subdivisions 3 and 3g.

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. 167: A bill for an act relating to human services; requiring recruitment of psychiatrists to work at regional treatment centers; establishing an office of medical director within the department of human services; requiring establishment of a regional treatment center medical staff; requiring an advisory committee; requiring a study; appropriating money; amending Minnesota Statutes 1988, section 246.015; proposing coding for new law in Minnesota Statutes, chapter 246.

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

Page 2, line 27, after "for" insert "medical"

Page 3, line 5, after "inpatient" insert "medical"

Page 3, lines 6, 22, and 33, after "quality" insert "medical"

Page 4, delete lines 4 to 18

Page 4, delete section 3

Page 4, line 29, delete "to 3" and insert "and 2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 7

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 156: A bill for an act relating to gambling; authorizing the governor, the attorney general, the speaker of the house, and the majority leader of the senate to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Page 1, lines 14 and 15, delete "the attorney general."

Page 1, line 21, after the period, insert "The attorney general is the legal counsel for the governor, the speaker of the house, and the majority leader of the senate, or their designees, in regard to negotiating a compact under this section."

Amend the title as follows:

Page 1, lines 2 and 3, delete "the attorney general."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

### SECOND READING OF SENATE BILLS

S.F. Nos. 101 and 156 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Dahl moved that the name of Mr. Novak be added as a co-author to S.F. No. 228. The motion prevailed.

Mr. Dahl moved that the name of Mr. Novak be added as a co-author to S.F. No. 237. The motion prevailed.

Mr. Merriam moved that the name of Mr. Dicssner be added as a co-author to S.F. No. 311. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 316. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Metzen be added as a co-author to S.F. No. 325. The motion prevailed.

Mr. Lessard moved that the name of Mr. Dahl be added as a co-author to S.F. No. 341. The motion prevailed.

Mrs. Lantry moved that the names of Messrs. Merriam, Purfeerst and Beckman be added as co-authors to S.F. No. 352. The motion prevailed.

Mr. McGowan moved that the name of Mr. Beckman be added as a co-author to S.F. No. 360. The motion prevailed.

Mr. Metzen moved that the name of Mr. Cohen be added as a co-author to S.F. No. 362. The motion prevailed.

Mr. Cohen moved that the names of Mrs. Lantry and Ms. Peterson, D.C. be added as co-authors to S.F. No. 366. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 40: A Senate resolution congratulating Ron Przybilla for being selected the Morrison County 1988-1989 Conservation Farmer of the Year.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 41: A Senate resolution commending Jason Rother on his life and on his service and sacrifice for his country.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 42: A Senate resolution honoring veterans on National Salute to Hospitalized Veterans Day.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 43: A Senate resolution congratulating Larry and Leander Notch on the Grand Opening of Mount Notch Ski and Recreation Area.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 44: A Senate resolution commending the Minnesota Air National Guard for its outstanding performance and professionalism.

Referred to the Committee on Rules and Administration.

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

Senate Resolution No. 45: A Senate resolution celebrating the friendship of Minneapolis and Saint Paul with their sister city of Novosibirsk, Union of Soviet Socialist Republics.

WHEREAS, the Union of Soviet Socialist Republics and the United States have embarked on a mission to promote friendship and greater understanding between the two nations; and

WHEREAS, this mission is best accomplished when individual communities reach out towards each other; and

WHEREAS, Novosibirsk, a city in Siberia, Union of Soviet Socialist Republics, is similar to the location of both Minneapolis and Saint Paul in the United States; and

WHEREAS, Novosibirsk is located along the Ob, a river that is very similar to the Mississippi; and, like Minneapolis and Saint Paul, Novosibirsk is a major transportation center; and

WHEREAS, Novosibirsk and Minneapolis and Saint Paul are centers of technology, science, education, art, and culture; and

WHEREAS, Novosibirsk is the site of Akademgorodok, the "academic city," a community which houses and employs 3,000 scientists and 10,000 technicians whose work ranges from nuclear physics to interpretation of ancient Mayan writings and whose discoveries have aided in the development of space and aviation technology, instrument making, mathematical modeling of chemical processes, mineralogy, and oil and gas prospecting; and

WHEREAS, Novosibirsk, known as the "city of three academies," is the location of the Academy of Sciences, the Academy of Agricultural Sciences, and the Academy of Medical Sciences, which is now under construction; the city also has a prestigious university and 17 other higher educational establishments; the first special high school of mathematics and physics was developed in Novosibirsk; and the Technical Library of Novosibirsk is a United Nations depository that contains five million volumes; and

WHEREAS, Novosibirsk is the location of one of the leading theatre centers in the Union of Soviet Socialist Republics; the Red Torch theatre company is popular throughout the Union of Soviet Socialist Republics; the Novosibirsk Ballet and Opera Company have toured many countries;

and Novosibirsk has a children's theatre, a regional drama theatre, a conservatory, a symphony orchestra, a folk choir, and a circus; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that the citizens of both Novosibirsk and Minneapolis and Saint Paul are encouraged to celebrate the similarities and to continue to support the efforts towards greater understanding and friendship, not only between these communities but between the two countries.

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 Ivan Ivanovich Indinok, mayor of Novosibirsk.

Mr. Moe, R.D. moved that Senate Resolution No. 45 be laid on the table. The motion prevailed.

Mr. Spear moved that S.F. No. 139, No. 2 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the proceedings on S.F. No. 28. The Sergeant at Arms was instructed to bring in the absent members.

### CALENDAR

S.F. No. 28: 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.

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

The question was taken on the passage of the bill.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 41 and nays 24, as follows:

Those who voted in the affirmative were:

Belanger	Decker	Knutson	Morse	Solon
Benson	DeCramer	Lantry	Novak	Spear
Berg	Dicklich	Larson	Peterson, D.C.	Storm
Berglin	Diessner	Luther	Peterson, R.W.	Taylor
Bernhagen	Frederick	Marty	Piper	Vickerman
Brandl	Frederickson, D.J.	Mehrkens	Pogemiller	
Brataas	Gustafson	Merriam	Purfeerst	
Cohen	Hughes	Moe, D.M.	Ramstad	
Dahl	Johnson, D.E.	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Adkins	Frank	Laidig	Metzen	Samuelson
Anderson	Frederickson, D.R.	Langseth	Olson	Schmitz
Beckman	Johnson, D.J.	Lessard	Pariseau	Stumpf
Bertram	Knaak	McGowan	Pehler	Waldorf
Chmielewski	Kroening	McQuaid	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. 32, 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.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that Senate Resolution No. 45 be taken from the table. The motion prevailed.

Mr. Moe, R.D. moved the adoption of Senate Resolution No. 45. 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.

Mr. Davis introduced—

S.F. No. 369: A bill for an act relating to motor vehicles; reducing passenger automobile registration taxes for senior citizens; amending Minnesota Statutes 1988, section 168.013, by adding a subdivision.

Referred to the Committee on Transportation.

Ms. Peterson, D.C.; Messrs. Cohen, Pogemiller, Diessner and Knaak introduced—

S.F. No. 370: A bill for an act relating to civil commitment; requiring the court to determine competency to provide informed consent to certain medication at the commitment hearing; amending Minnesota Statutes 1988, sections 253B.03, subdivisions 6 and 6a; 253B.07, subdivision 5; and 253B.08, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Merriam; Moe, R.D.; Lessard; Marty and Laidig introduced—

S.F. No. 371: A bill for an act relating to solid waste; establishing plans and programs to reduce waste generated, recycle waste, develop markets for recyclables, address materials that cause special problems in the waste stream, prevent, control, and abate litter, inform and educate the public on proper waste management; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, by adding a subdivision; 115A.03, by adding subdivisions; 115A.072; 115A.12, subdivision 1; 115A.15, by adding subdivisions; 115A.46, subdivision 2; 115A.48, subdivision 3, and by adding subdivisions; 115A.96, subdivision 2, and by adding a subdivision; 116.07,

by adding a subdivision; 116K.04, by adding a subdivision; 275.51, subdivision 1; 297A.01, subdivision 3; 297A.44, subdivision 1; 325E.115, subdivision 1; 400.08, by adding a subdivision; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 18B; 115A; 116C; 116J; 173; 297A; and 473.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 372: A bill for an act relating to employees; providing for a wage protection program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 373: 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 1988, section 268.07, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 268A.

Referred to the Committee on Employment.

Ms. Berglin introduced—

S.F. No. 374: A bill for an act relating to human services; increasing the medical assistance income standard for aged, blind, and disabled persons; amending Minnesota Statutes 1988, section 256B.056, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson and Lessard introduced—

S.F. No. 375: A bill for an act relating to natural resources; authorizing boat slips on a certain tract of property on Lower Whitefish Lake.

Referred to the Committee on Environment and Natural Resources.

Mr. Metzen introduced—

S.F. No. 376: A bill for an act relating to the city of Inver Grove Heights; permitting the city to impose a fee on waste facilities.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 377: 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 1988, section 290.067, subdivision 2, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin introduced—

S.F. No. 378: A bill for an act relating to human services; appropriating money for grants for child care services.

Referred to the Committee on Finance.

Ms. Berglin introduced—

S.F. No. 379: A bill for an act relating to human services; increasing the eligibility limits for sliding fee child care services; appropriating money; amending Minnesota Statutes 1988, section 256H.10, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Purfeerst introduced—

S.F. No. 380: A bill for an act relating to health; creating an exception to the nursing home moratorium; allowing pass-through of principal and interest on renovation of a nursing home to move existing licensed beds to another location in the nursing home; amending Minnesota Statutes 1988, sections 144A.071, subdivision 3; and 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C.; Messrs. Pogemiller, Solon, Mrs. Lantry and Mr. Moe, D.M. introduced—

S.F. No. 381: A bill for an act relating to education; providing competitive project grants to school districts located in cities of the first class; appropriating money.

Referred to the Committee on Education.

Mr. Berg, Mrs. Lantry, Mr. Frederickson, D.R.; Mrs. McQuaid and Mr. Davis introduced—

S.F. No. 382: A bill for an act relating to animals; clarifying regulations pertaining to dangerous dogs; prohibiting local ordinances that define specific breeds of dogs as dangerous; amending Minnesota Statutes 1988, sections 347.50, subdivisions 4, 5, and by adding a subdivision; 347.51, subdivision 5, and by adding subdivisions; 347.53; 347.54; and 609.226, subdivision 1.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Spear, Pogemiller, Ms. Peterson, D.C.; Messrs. McGowan and Marty introduced—

S.F. No. 383: A bill for an act relating to crime; expanding the theft statute to include the unauthorized use of a motor vehicle; making the penalties for receiving stolen property and issuing a dishonored check similar to the penalties for theft; including forged endorsements within the elements of the crime of check forgery; making technical corrections to the theft statute; amending Minnesota Statutes 1988, sections 609.52; 609.53, subdivisions 1 and 4; 609.535, subdivision 2a; and 609.631, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, sections 609.53, subdivisions 1a, 3, and 3a; and 609.55.

Referred to the Committee on Judiciary.

Mr. Brandl, Ms. Piper, Mr. Solon, Mrs. Lantry and Mr. Benson introduced—

S.F. No. 384: A bill for an act relating to health; prohibiting certain licensed persons from using the title of physician; amending Minnesota Statutes 1988, section 147.09.

Referred to the Committee on Health and Human Services.

Messrs. Pehler; Luther; Brandl; Fredrickson, D.J. and Beckman introduced—

S.F. No. 385: A bill for an act relating to crimes; increasing incarcerative and monetary penalties imposed upon persons convicted of controlled substance offenses and operating disorderly houses; amending Minnesota Statutes 1988, sections 152.15, subdivisions 1, 2, and 2b; and 609.33, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Pehler, Merriam, Davis, Mrs. McQuaid and Mr. Lessard introduced—

S.F. No. 386: A bill for an act relating to environment; requiring source separation of recyclable materials by generators of mixed municipal solid waste; imposing a surcharge on sites that do not separate recyclable materials; providing grants for recycling program implementation and market development; authorizing solid waste management districts and counties exercising joint powers to have the powers of counties in solid waste management; authorizing solid waste management districts to prepare budgets and levy after county approval; requiring joint powers agreements before solid waste management districts are formed; appropriating money; amending Minnesota Statutes 1988, sections 115A.64, subdivision 1; 115A.69, by adding a subdivision; and 471.59, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, section 115A.69, subdivision 12.

Referred to the Committee on Environment and Natural Resources.

Mmes. McQuaid, Lantry, Messrs. Schmitz, Bernhagen and Laidig introduced—

S.F. No. 387: A bill for an act relating to traffic regulations; restricting highway speed limit to 55 miles per hour during nighttime; amending Minnesota Statutes 1988, section 169.141, by adding a subdivision.

Referred to the Committee on Transportation.

Mses. Berglin; Peterson, D.C.; Messrs. Freeman, Brandl and Mrs. Lantry introduced—

S.F. No. 388: A resolution memorializing the President and Congress to establish a multimodal demonstration project on the interstate highway 35W corridor.

Referred to the Committee on Transportation.



Messrs. Pehler, Chmielewski, Dahl, Mehrkens and Laidig introduced—

S.F. No. 389: A bill for an act relating to retirement; increasing the retirement formula for covered correctional service; amending Minnesota Statutes 1988, section 352.93, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Anderson introduced—

S.F. No. 390: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Todd county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Mehrkens, Beckman, Berg, Langseth and Johnson, D.E. introduced—

S.F. No. 391: A bill for an act relating to civil actions; excluding certain structures from the limitation period provided by the uniform commercial code; amending Minnesota Statutes 1988, section 336.2-725.

Referred to the Committee on Judiciary.

Messrs. Pehler, DeCramer, Chmielewski, Dicklich and Johnson, D.J. introduced—

S.F. No. 392: A bill for an act relating to education; clarifying aspects of the governance of the University of Minnesota system; requiring a president of each institution in the University of Minnesota system; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

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

S.F. No. 393: A bill for an act relating to natural resources; appropriating funds for control and removal of beaver.

Referred to the Committee on Finance.

Mr. Dicklich introduced—

S.F. No. 394: A bill for an act relating to education; requiring post-secondary education administrators and faculty members to take certain coursework; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Mr. Pogemiller, Mses. Peterson, D.C.; Piper; Mrs. Adkins and Mr. Dicklich introduced—

S.F. No. 395: A bill for an act relating to human services; requiring nursing homes to fully participate in Medicare for medical assistance participation; defining full participation; amending Minnesota Statutes 1988, section 256B.48, subdivision 6.

Referred to the Committee on Health and Human Services.

Messrs. Dahl, Solon, Spear and Luther introduced—

S.F. No. 396: A bill for an act relating to financial institutions; electronic funds transfer facilities; requiring disclosure of the transaction charge on the customer's receipt or record; amending Minnesota Statutes 1988, section 47.69, subdivision 6.

Referred to the Committee on Commerce.

Messrs. Moe, D.M.; Pogemiller; Morse and Renneke introduced—

S.F. No. 397: 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 1988, sections 11A.01; 11A.04; 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; 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; 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; 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; 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 1988, sections 356.71 and 423.812.

Referred to the Committee on Governmental Operations.

Mr. Samuelson introduced—

S.F. No. 398: A bill for an act relating to veterans; providing for establishment of a veterans home in Brainerd; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Mr. Merriam introduced—

S.F. No. 399: A bill for an act relating to health; providing that individuals under the good samaritan law may obtain certain information about human immuno-deficiency virus seropositivity; amending Minnesota Statutes 1988, section 604.05, by adding a subdivision.

Referred to the Committee on Judiciary.

Mrs. Lantry introduced—

S.F. No. 400: A bill for an act relating to horse racing; regulating the medication of horses; amending Minnesota Statutes 1988, section 240.24, subdivision 2.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. Lantry, Messrs. Chmielewski and Bernhagen introduced—

S.F. No. 401: A bill for an act relating to traffic regulations; exempting state patrol troopers from requirement of security barrier in marked state patrol vehicles; amending Minnesota Statutes 1988, section 169.98, by adding a subdivision.

Referred to the Committee on Transportation.

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

S.F. No. 402: A bill for an act relating to libraries; removing the sales tax from the sale or use of certain public library materials, equipment, services, and facilities; removing the motor vehicle excise tax from the purchase of bookmobiles; amending Minnesota Statutes 1988, sections 297A.25, by adding a subdivision; and 297B.03.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 403: A bill for an act relating to family law; providing for the unenforceability of surrogate parenting contracts; proposing coding for new law in Minnesota Statutes, chapter 257.

Referred to the Committee on Judiciary.

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

S.F. No. 404: A bill for an act relating to crimes; providing that an offender may not demand imposition of sentence; amending Minnesota Statutes 1988, section 609.135, by adding a subdivision.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C.; Mrs. Lantry, Messrs. Spear and Pogemiller introduced—

S.F. No. 405: A bill for an act relating to crimes; expanding the definition of "bodily harm" in the crime of third degree assault of an unborn child to include premature birth; amending Minnesota Statutes 1988, section 609.2672.

Referred to the Committee on Judiciary.

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

S.F. No. 406: A bill for an act relating to state government; providing for gender balance in multimember agencies; amending Minnesota Statutes 1988, section 15.0597, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Ms. Peterson, D.C. introduced—

S.F. No. 407: A bill for an act proposing an amendment to the Minnesota Constitution, article VII, section 1; changing the voting age.

Referred to the Committee on Elections and Ethics.

Ms. Peterson, D.C. introduced—

S.F. No. 408: A bill for an act relating to crime victim reparations; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 611A.52; subdivision 8; and 611A.54.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. introduced—

S.F. No. 409: A bill for an act relating to employment; providing a medical leave of absence and a leave to care for family members; amending Minnesota Statutes 1988, sections 181.940, subdivision 1, and by adding subdivisions; 181.942; 181.943; 181.944; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Ms. Peterson, D.C. introduced—

S.F. No. 410: A bill for an act relating to education; providing counseling and guidance services for elementary school students; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

Mr. Morse introduced—

S.F. No. 411: A bill for an act relating to groundwater; establishing best management practices and water resources protection requirements; regulating pollution limits; changing various requirements and procedures concerning fertilizer, soil amendments, and plant amendments; requiring a study of sustainable agriculture; changing certain pesticide laws; requiring a pesticide management plan; providing for responses to pesticide and fertilizer incidents; establishing a safe drinking water account; imposing an annual fee; reorganizing and revising laws on water wells, exploratory boring, and elevator shafts; establishing a water information committee; providing for local water resources protection and management; establishing water appropriation priorities; establishing a legislative commission on water; appropriating money; amending Minnesota Statutes 1988, sections 17.713; 17.714, subdivision 1, and by adding a subdivision; 17.715, subdivisions 1, 4, and by adding subdivisions; 17.7155; 17.716, subdivisions 1 and 2; 17.717; 17.718; 17.719, subdivisions 1, 2, 3, 4, and by adding subdivisions; 17.721, by adding a subdivision; 17.725, subdivision 2, and by adding subdivisions; 17.728, by adding subdivisions; 17.7285; 17.73, subdivision 3; 18B.01, subdivisions 12, 21, 23, 26, 31, and by adding subdivisions; 18B.04; 18B.07, subdivisions 4, 5, 6, and 7; 18B.08, subdivisions 1 and 4; 18B.15; 18B.17, subdivision 2; 18B.18; 18B.21; 18B.25, by adding a subdivision; 18B.26, subdivisions 1, 3, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 3 and 7; 18B.34, subdivisions 2 and 5; 18B.36; 18B.37, subdivisions 1, 2, and 3; 105.41, subdivision 1a; 105.418; 116C.41, subdivision 1; 116E.03, subdivision 9; 156A.01; 156A.02; 156A.03; 156A.05; 156A.06; 156A.071; 156A.075; and 156A.08; proposing coding for new law as Minnesota Statutes, chapters 110C and 115D; proposing coding for

new law in Minnesota Statutes, chapters 3; 17; 18B; 115; 116C; 116E; 144; and 156A; repealing Minnesota Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; 18B.16; 18B.19; 156A.02, subdivision 3; 156A.03, subdivision 1; 156A.04; 156A.07; 156A.10; and 156A.11.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin, Messrs. Spear, Marty and Luther introduced—

S.F. No. 412: A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's race, color, religion, sex, sexual orientation, disability, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

Referred to the Committee on Judiciary.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 9, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## ELEVENTH DAY

St. Paul, Minnesota, Thursday, February 9, 1989

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

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

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

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

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, Ms. Piper and Mr. Pogemiller were excused from the Session of today.

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

September 19, 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:

Peter Fugina, 5 Merritt Dr., Virginia, St. Louis County, has been appointed

by me, effective September 19, 1988, for a term expiring the first Monday in January, 1989.

Andy Hilger, Box 220, St. Cloud, Stearns County, has been appointed by me, effective September 19, 1988, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

February 2, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment as Chair of the Board of Water and Soil Resources is hereby respectfully submitted to the Senate for confirmation as required by law:

Donald Ogaard, 705 - 5th St. W., Ada, Norman County, has been appointed by me, effective September 21, 1987, for a term expiring the first Monday in January, 1990.

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

February 2, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Steve Senich, 3842 - 3rd Ave. E., Hibbing, St. Louis County, has been appointed by me, effective October 11, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

February 2, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Elliott Perovich, 863 River Ln., Anoka, Anoka County, has been appointed by me, effective January 6, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Transportation.)

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. 29 and 122.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 6, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 29: A bill for an act relating to examiners of title; increasing number of deputy examiners of title in second and fourth judicial districts; amending Minnesota Statutes 1988, section 508.12, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 53.

H.F. No. 122: A bill for an act relating to crimes; providing for an exception to certain activities prohibited on buses; amending Minnesota Statutes 1988, section 609.855, subdivision 3.

Referred to the Committee on Judiciary.

### REPORTS OF COMMITTEES

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

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

S.F. No. 53: A bill for an act relating to examiners of title; increasing number of deputy examiners of title in fourth judicial district; amending Minnesota Statutes 1988, section 508.12, 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 1988, section 508.12, subdivision 1, is amended to read:

Subdivision 1. [EXAMINER AND DEPUTY EXAMINER.] The judges of the district court shall appoint a competent attorney in each county within their respective districts to be an examiner of titles and legal adviser to the registrar in said county, and may appoint ~~one~~ *attorneys to serve as deputy examiner examiners* who shall act in the name of the examiner and under the examiner’s supervision and control, and the deputy’s acts shall be the acts of the examiners. The examiner of titles *and deputy examiners* shall hold office subject to the will and discretion of the district court by whom appointed. The examiner’s compensation and that of the examiner’s deputies shall be fixed and determined by the court and paid in the same manner as the compensation of other county employees is paid except that in all counties having ~~less~~ *fewer* than 75,000 inhabitants, and in Stearns



county and Dakota county the fees and ~~compensations~~ *compensation* of the examiners for services as legal adviser to the registrar shall be determined by the ~~judge~~ *judges* of the district court and, paid in the same manner as the compensation of other county employees is paid, but in every other instance shall be paid by the person applying to have the person's title registered or for other action or relief which requires the services, certification or approval of the examiner.

Sec. 2. [REPEALER.]

*Minnesota Statutes 1988, section 508.12, subdivision 3, is repealed."*

Delete the title and insert:

"A bill for an act relating to examiners of title; removing limits on the number of deputy examiners; amending Minnesota Statutes 1988, section 508.12, subdivision 1; repealing Minnesota Statutes 1988, section 508.12, subdivision 3."

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. 227: A bill for an act relating to uniform acts; defining brain death; imposing uniform requirements for the determination of brain death; proposing coding for new law in Minnesota Statutes, chapter 634.

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

Delete everything after the enacting clause and insert:

"Section 1. [145.135] [DETERMINATION OF DEATH.]

*Subdivision 1. [CITATION.] This section may be cited as the uniform determination of death act.*

*Subd. 2. [DETERMINATION OF DEATH.] An individual is dead if the individual sustains irreversible cessation of:*

*(1) circulatory and respiratory functions; or*

*(2) all functions of the entire brain, including the brain stem.*

*A determination of death must be made in accordance with accepted medical standards."*

Delete the title and insert:

"A bill for an act relating to health; enacting the uniform determination of death act; proposing coding for new law in Minnesota Statutes, chapter 145."

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. 171: A bill for an act relating to law libraries; permitting fees to be set annually; amending Minnesota Statutes 1988, section 140.422, subdivision 4.

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

S.F. No. 230: A bill for an act relating to local government; excepting computer software purchases from the uniform municipal contracting law; amending Minnesota Statutes 1988, section 471.345, by adding a subdivision.

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

Page 1, line 9, after "*contract*" insert "*not exceeding \$60,000*"

Page 1, line 11, after the period, insert "*A contract for the purchase of computer software in excess of \$60,000 is subject to the procedural requirements of subdivision 3.*"

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. 229: A bill for an act relating to counties; permitting counties to rent county-owned residences by less formal procedure; amending Minnesota Statutes 1988, section 373.01, subdivision 1.

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

Page 2, line 21, after "*county*" insert "*or its agent*"

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. 168: A bill for an act relating to Washington county; permitting the county board to establish certain payment procedures.

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. 65: A bill for an act relating to economic development; authorizing local jurisdictions involved in economic development to participate in secondary markets; proposing coding for new law in Minnesota Statutes, chapter 465.

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 the day after final enactment.”*

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. 173: A resolution memorializing the President and Congress of the United States to prevent the imposition of any additional federal excise tax on motor fuel in order to reduce the federal deficit.

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

Page 2, line 11, delete “and”

Page 2, delete line 12

Page 2, line 13, delete everything before “NOW,”

And when so amended the resolution do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 265: A bill for an act relating to human services; providing for allocation of funds for chemical dependency programs; amending Minnesota Statutes 1988, sections 254B.02, subdivision 1; 254B.03, subdivision 4; 254B.04, subdivision 2; 254B.06, subdivision 1; and 254B.09, subdivisions 1, 4, and 5; repealing Minnesota Statutes 1988, sections 254B.09, subdivision 3; and 254B.10.

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. 300: A bill for an act relating to crimes; repealing law regulating dance halls; repealing Minnesota Statutes 1988, sections 624.42 to 624.54.

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. 277: A bill for an act relating to health; establishing a treatment program for compulsive gamblers; 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 1, line 16, delete “*shall*” and insert “*may*” and delete “*the Minnesota council on*” and insert “*a nonprofit entity with expertise regarding the treatment of*”

Page 1, line 18, delete “800” and insert “*toll-free*”

Page 1, line 19, delete “, and” and insert a semicolon and delete “training”

Page 1, line 20, delete “in-services” and insert “in-service training programs”

Page 1, line 22, delete “, including” and insert “; and”

Page 1, line 23, delete “these”

Page 1, line 24, after the period, insert “The commissioner may enter into agreements with other governmental or nonprofit entities and may employ or contract with consultants to facilitate the provision of these services or the training of individuals to qualify them to provide these services.”

Page 1, line 25, delete the paragraph coding

Page 2, line 4, delete the paragraph coding

Page 2, line 12, delete “health” and insert “human services”

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. 53, 227, 171, 230, 229, 168, 65, 173 and 300 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Purfeerst moved that the names of Messrs. Frederick and DeCramet be added as co-authors to S.F. No. 173. The motion prevailed.

Mr. Hughes moved that the name of Mr. Laidig be added as a co-author to S.F. No. 306. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 353. The motion prevailed.

Mr. Cohen moved that the name of Mr. Merriam be added as a co-author to S.F. No. 366. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Solon be added as a co-author to S.F. No. 373. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 377. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 378. The motion prevailed.

Ms. Berglin moved that the names of Mr. Solon and Ms. Piper be added as co-authors to S.F. No. 379. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Ms. Piper be added as a co-author to S.F. No. 402. The motion prevailed.

Ms. Peterson, D.C. moved that the names of Messrs. Solon and Pogemiller be added as co-authors to S.F. No. 408. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 409. The motion prevailed.

Ms. Berglin moved that the name of Mr. Solon be added as a co-author

to S.F. No. 412. The motion prevailed.

Mr. Bertram moved that the name of Ms. Peterson, D.C. be added as a co-author to Senate Resolution No. 41. The motion prevailed.

Mr. Dahl moved that S.F. No. 65, on General Orders, be stricken and referred to the Committee on Local and Urban Government. The motion prevailed.

Mrs. Lantry moved that S.F. No. 156, No. 1 on the Consent Calendar, be stricken and placed on General Orders. The motion prevailed.

### CALENDAR

S.F. No. 32: A bill for an act relating to crimes; trespass; recodifying the law on dangerous trespasses and misdemeanor trespasses; prescribing penalties; amending Minnesota Statutes 1988, sections 609.02, subdivisions 12 and 13; 609.50; 609.55, subdivision 2, and by adding subdivisions; 609.576; 609.605; 609.85; 609.855, subdivisions 1 and 3; 624.731, subdivision 7; and 629.363; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 609.60.

Was read the third time 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.	Mehrkens	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Kroening	Moe, D.M.	Samuelson
Benson	Dicklich	Laidig	Moe, R.D.	Schmitz
Berg	Diessner	Langseth	Morse	Spear
Berglin	Frank	Lantry	Novak	Storm
Bernhagen	Frederick	Larson	Olson	Stumpf
Bertram	Frederickson, D.J.	Luther	Pehler	Vickerman
Brandl	Frederickson, D.R.	Marty	Peterson, D.C.	Waldorf
Brataas	Freeman	McGowan	Peterson, R.W.	
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. Spear introduced—

S.F. No. 413: A bill for an act relating to the sale of liquor; adding malt liquor sampling to current wine sampling provision; amending Minnesota Statutes 1988, section 340A.510.

Referred to the Committee on Commerce.

Mr. Frederickson, D.R. introduced—

S.F. No. 414: A bill for an act relating to the city of St. Peter; providing for a seven-member municipal hospital board and a nine-member economic development authority.

Referred to the Committee on Local and Urban Government.

Messrs. Dahl and Luther introduced—

S.F. No. 415: A bill for an act relating to education; appropriating money for “2 + 2” programs at all the metropolitan community colleges.

Referred to the Committee on Education.

Messrs. Beckman; Frederickson, D.J. and Benson introduced—

S.F. No. 416: A bill for an act relating to charitable gambling; allowing organizations to use profits from charitable gambling to maintain and repair buildings they own or lease; amending Minnesota Statutes 1988, section 349.12, subdivision 11.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Metzen introduced—

S.F. No. 417: A bill for an act relating to local government; allowing city appropriations for historical purposes; amending Minnesota Statutes 1988, section 471.93.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 418: A bill for an act relating to education; authorizing certain cooperating districts to qualify for sparsity aid; amending Minnesota Statutes 1988, section 124A.22, subdivision 5.

Referred to the Committee on Education.

Mr. Davis introduced—

S.F. No. 419: A bill for an act relating to judgments; providing for collection of costs by a person subject to an improperly docketed judgment; providing a penalty for persons who improperly docket judgments; requiring persons using judgments for credit or title status purposes to use due diligence in determining who is the judgment debtor; amending Minnesota Statutes 1988, section 548.09, subdivisions 2 and 3, and by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Ramstad and Spear introduced—

S.F. No. 420: A bill for an act relating to liquor; qualifications for license to sell; amending Minnesota Statutes 1988, section 340A.402.

Referred to the Committee on Commerce.

Messrs. Renneke, Decker and Larson introduced—

S.F. No. 421: A bill for an act relating to capital improvements; creating a legislative building commission; appropriating money; amending Minnesota Statutes 1988, section 16A.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Governmental Operations.

Ms. Reichgott, Mr. Laidig, Ms. Berglin; Peterson, D.C. and Mr. Metzen introduced—

S.F. No. 422: A bill for an act relating to child maltreatment; authorizing the commissioner of human services to provide for the establishment of a statewide 24-hour toll-free telephone helpline; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Health and Human Services.

Mr. Renneke introduced—

S.F. No. 423: A bill for an act relating to waters; appropriating money for stream maintenance.

Referred to the Committee on Finance.

Messrs. Benson, Bernhagen, Mehrkens and Johnson, D.E. introduced—

S.F. No. 424: A bill for an act relating to solid waste disposal; authorizing disposal of certain categories of solid waste from a single family or household; permitting outdoor burning of certain materials; requiring the pollution control agency to conduct a survey on groundwater; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Messrs. Johnson, D.E. and Frederickson, D.J. introduced—

S.F. No. 425: A bill for an act relating to education; vocational technical; allowing purchase of real property by independent school district No. 347.

Referred to the Committee on Education.

Messrs. Solon and Gustafson introduced—

S.F. No. 426: A bill for an act relating to retirement; Minnesota state retirement system; providing for the determination of annuities for certain former members who are entitled to combined service annuities and who retire before age 65; amending Minnesota Statutes 1988, section 352.116, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Larson, Anderson and Renneke introduced—

S.F. No. 427: A bill for an act relating to solid waste disposal; authorizing disposal of certain categories of solid waste from a single family or household; requiring the pollution control agency to conduct a survey on groundwater; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin, Messrs. Luther, Hughes, Laidig and Kroening introduced—

S.F. No. 428: A bill for an act relating to elections; authorizing the distribution of campaign material under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 211B.

Referred to the Committee on Elections and Ethics.

Messrs. Beckman; Frederickson, D.J.; Johnson, D.E.; Vickerman and Bertram introduced—

S.F. No. 429: A bill for an act relating to veterans affairs; increasing the amount of educational assistance for war orphans and veterans; increasing educational assistance for POW/MIA dependents; providing for cost-of-living increases; amending Minnesota Statutes 1988, sections 197.75, subdivision 1; and 197.752.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Johnson, D.E. and Frederickson, D.J. introduced—

S.F. No. 430: A bill for an act relating to veterans; requiring the housing and care of veterans in the Willmar residential treatment center; proposing coding for new law in Minnesota Statutes, chapters 198 and 253.

Referred to the Committee on Veterans and Military Affairs.

Mr. Hughes, Mrs. Lantry, Messrs. Langseth, Chmielewski and Gustafson introduced—

S.F. No. 431: A bill for an act relating to public safety; regulating the operation and operators of elevators; amending Minnesota Statutes 1988, sections 183.351, by adding a subdivision; and 183.355; proposing coding for new law in Minnesota Statutes, chapter 183.

Referred to the Committee on Employment.

Messrs. Bernhagen, Frank, Brandl, DeCramer and Frederickson, D.R. introduced—

S.F. No. 432: A bill for an act relating to economic development; authorizing certain expenditures for economic development purposes; amending Minnesota Statutes 1988, section 41A.065, subdivision 8.

Referred to the Committee on Agriculture and Rural Development.

Mr. Vickerman, Mrs. Adkins, Mr. Renneke, Mrs. McQuaid and Mr. Bertram introduced—

S.F. No. 433: A bill for an act relating to local government; authorizing towns to require a bond or other security in establishing cartways; amending Minnesota Statutes 1988, section 164.08, subdivision 2.

Referred to the Committee on Local and Urban Government.



Mr. Bertram introduced—

S.F. No. 434: A bill for an act relating to traffic regulations; abolishing fee for renewal or duplicate license plates for handicapped persons; amending Minnesota Statutes 1988, section 169.345, subdivision 3.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 435: A bill for an act relating to veterans; changing admissions, removal, and utilization review procedures for veterans homes; granting rulemaking authority to the veterans homes board; changing certain rights and presumptions; amending Minnesota Statutes 1988, sections 198.003; 198.007; 198.022; 198.03; and 198.32; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Fredrickson, D.R.; Moe, R.D.; Benson; Hughes and Samuelson introduced—

S.F. No. 436: A bill for an act relating to elections; providing for publicly financed debate forums for legislative and congressional candidates; amending Minnesota Statutes 1988, section 10A.31, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections and Ethics.

Messrs. Frank and Solon introduced—

S.F. No. 437: A bill for an act relating to retirement; giving employing units an option on the rule of 85; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Mrs. Lantry and Mr. Chmielewski introduced—

S.F. No. 438: A bill for an act relating to public safety; defining high pressure piping; regulating the practice of pipefitting; amending Minnesota Statutes 1988, section 326.461, subdivision 2.

Referred to the Committee on Employment.

Messrs. Hughes, Spear, Ms. Peterson, D.C.; Mr. Taylor and Ms. Reichgott introduced—

S.F. No. 439: A bill for an act relating to education; creating a child care early education grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Messrs. Laidig and Diessner introduced—

S.F. No. 440: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land bordering public water in Washington county.

Referred to the Committee on Environment and Natural Resources.

Mrs. Adkins and Mr. Schmitz introduced—

S.F. No. 441: A bill for an act relating to local government; permitting statutory cities to have seven member councils; amending Minnesota Statutes 1988, sections 412.02, subdivision 1, and by adding a subdivision; 412.021, subdivision 2; 412.191, subdivisions 1 and 2; 412.541, subdivision 4; 412.571, subdivisions 1 and 4; 412.581; and 412.631.

Referred to the Committee on Local and Urban Government.

Ms. Piper, Mr. Frank, Mrs. Adkins, Messrs. Beckman and Chmielewski introduced—

S.F. No. 442: A bill for an act relating to occupational safety and health; increasing certain penalties; proposing changes to the employee right-to-know act of 1984; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 14, 15, and by adding a subdivision; 182.653, subdivisions 4b, 4c, and 4f; and 182.669, subdivision 1.

Referred to the Committee on Employment.

Mr. Pogemiller introduced—

S.F. No. 443: A bill for an act relating to health; including the use of nitrous oxide as an analgesic in the practice of podiatric medicine; amending Minnesota Statutes 1988, section 153.01, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller, Ms. Peterson, D.C.; Messrs. Larson, Morse and Frederickson, D.J. introduced—

S.F. No. 444: A bill for an act relating to education; creating PER local school development councils; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Messrs. Peterson, R.W.; Pogemiller; Ms. Berglin and Mr. Knaak introduced—

S.F. No. 445: 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 1988, section 144.581, by adding a subdivision.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Pehler and Spear introduced—

S.F. No. 446: A bill for an act relating to human rights; clarifying the definition of disability; limiting the use of psychological tests; limiting age-related questions in employment applications; clarifying who is an aggrieved party for certain violations; placing burden on the employer to show a person's impairment is disqualifying; providing for service of subpoenas personally or by mail; allowing the commissioner discretion on access to data in closed files; eliminating the 180-day administrative hearing option; striking the requirement that a person's employees must be within Minnesota for purposes of affirmative action; clarifying the time period

allowed for filing a private lawsuit; amending Minnesota Statutes 1988, sections 363.01, subdivisions 25 and 31; 363.02, subdivisions 1, 2, 2a, 2b, and 6; 363.03, subdivisions 1, 2, 3, 7, 8, and by adding subdivisions; 363.05, subdivision 2; 363.061, subdivision 3; 363.072, subdivision 1; 363.073, subdivision 1; 363.117; 363.123; and 363.14, subdivision 1; repealing Minnesota Statutes 1988, sections 363.01, subdivisions 30 and 32; and 363.071, subdivision 1a.

Referred to the Committee on Judiciary.

Messrs. DeCramer, Purfeerst, Langseth, Frederick and Novak introduced—

S.F. No. 447: A bill for an act relating to transportation; authorizing special permits for 110-foot combinations of four vehicles to operate, with restrictions, on interstate highways; setting permit fees; providing for designation of interchanges, streets, highways, and rest areas; requiring a study and report to the legislature; appropriating money; amending Minnesota Statutes 1988, sections 169.81, subdivision 2; and 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Mr. Frank introduced—

S.F. No. 448: A bill for an act relating to traffic regulations; requiring record of all speeding violations; limiting plea negotiations for speeding violations; amending Minnesota Statutes 1988, sections 169.141, by adding a subdivision; and 169.99, subdivision 1b; repealing Minnesota Statutes 1988, section 171.12, subdivision 6.

Referred to the Committee on Transportation.

Mr. Frank introduced—

S.F. No. 449: A bill for an act relating to economic development; expanding the definition of economic development district; authorizing economic development authorities to construct and furnish buildings; providing for a referendum on an economic development authority's issuance of general obligation bonds; exempting economic development authority bonds from net debt limits; amending Minnesota Statutes 1988, sections 469.101, subdivision 1, and by adding a subdivision; and 469.102, subdivision 1, and by adding subdivisions.

Referred to the Committee on Economic Development and Housing.

Mr. Frank introduced—

S.F. No. 450: A bill for an act relating to housing; appropriating lottery proceeds and other revenue to the home ownership assistance fund; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Mr. Frank introduced—

S.F. No. 451: A bill for an act relating to retirement; providing entitlement to joint and survivor annuities for certain surviving spouses.

Referred to the Committee on Governmental Operations.

Mr. Frank introduced—

S.F. No. 452: A bill for an act relating to water; providing urban drought relief; establishing a program of low-interest loans for repairs to drought-damaged homes; providing assistance to certain municipalities with water supply problems; studying surface backwater infiltration of water supplies; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Frank introduced—

S.F. No. 453: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Anoka county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Samuelson, Metzen, Freeman and Anderson introduced—

S.F. No. 454: A bill for an act relating to consumer protection; regulating the sale of used motor vehicles; modifying certain definitions; amending Minnesota Statutes 1988, section 325F662, subdivisions 1 and 3.

Referred to the Committee on Commerce.

Mr. Johnson, D.E. introduced—

S.F. No. 455: A bill for an act relating to unemployment compensation; regulating the amount of benefits; increasing the amount which can be earned before reducing benefits; amending Minnesota Statutes 1988, section 268.07, subdivision 2.

Referred to the Committee on Employment.

Mr. Johnson, D.E. introduced—

S.F. No. 456: A bill for an act relating to taxation; property; allowing agricultural homestead treatment in certain cases; amending Minnesota Statutes 1988, sections 273.124, subdivision 1, and by adding a subdivision; and 273.13, subdivision 23.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dicklich introduced—

S.F. No. 457: A bill for an act relating to public safety; transferring duties and powers relating to emergency medical services from the department of health to the department of public safety; instructing the revisor; amending Minnesota Statutes 1988, sections 144.801, subdivision 3; 144.802, subdivision 1; 144.804, subdivisions 1 and 5; and 144.8093, subdivisions 2 and 4.

Referred to the Committee on Health and Human Services.

Messrs. Pehler, Pogemiller and Bernhagen introduced—

S.F. No. 458: A bill for an act relating to taxation; sales and use; exempting materials used and consumed in the production of certain taxable services; amending Minnesota Statutes 1988, section 297A.25, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Adkins, Messrs. Schmitz, Renneke, Vickerman and Bernhagen introduced—

S.F. No. 459: A bill for an act relating to local government; granting certain water and sewer powers to towns; amending Minnesota Statutes 1988, sections 444.075, subdivision 1; 444.16; 444.17; 444.18; 444.19; and 444.20.

Referred to the Committee on Local and Urban Government.

Mr. Dahl introduced—

S.F. No. 460: A bill for an act relating to environment; requiring fees for solid waste to be based on weight; requiring acceptance of all amounts of solid waste; requiring scales at certain solid waste disposal facilities; setting maximum fees that may be charged for waste brought by automobiles or pickup trucks; amending Minnesota Statutes 1988, section 115A.98, by adding subdivisions.

Referred to the Committee on Environment and Natural Resources.

Mr. Taylor introduced—

S.F. No. 461: A bill for an act relating to the city of Mankato; authorizing location of certain polling places more than 3,000 feet outside precinct boundaries.

Referred to the Committee on Elections and Ethics.

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

S.F. No. 462: A bill for an act relating to judicial procedure; clarifying and recodifying tax court powers and procedures; making technical corrections and eliminating redundant and unnecessary language and obsolete references; amending Minnesota Statutes 1988, sections 270.07, subdivision 1; 270.10, by adding a subdivision; 271.01, subdivisions 1 and 5; 271.02; 271.04; 271.06, subdivisions 1, 2, 3, and 7; 271.061; 271.07; 271.13; 271.15; 271.17; 271.18; 271.21, subdivisions 2 and 10; 277.011, subdivision 7; 278.01, subdivision 1; 278.02; 278.05, subdivision 4; and 278.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1988, sections 271.01, subdivision 6; 271.21, subdivision 4; and 271.22.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 463: A bill for an act relating to metropolitan government; prescribing the term of the chair of the metropolitan council; amending Minnesota Statutes 1988, section 473.123, subdivisions 2a and 4.

Referred to the Committee on Local and Urban Government.

Mr. Pehler introduced—

S.F. No. 464: A bill for an act relating to corrections; requiring the commissioner of corrections to make high school diploma equivalency programs available to inmates; denying “good time” sentence reductions to inmates who do not have a high school diploma and who fail to participate in these educational programs; amending Minnesota Statutes 1988, sections 244.03; and 244.04, subdivision 1, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Dahl, Samuelson, Metzen and Anderson introduced—

S.F. No. 465: A bill for an act relating to consumer protection; regulating new motor vehicle sales; limiting a dealer's liability due to the manufacturer's failure to repair, refund, or replace nonconforming vehicles; amending Minnesota Statutes 1988, section 325F.665, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Beckman and Frank introduced—

S.F. No. 466: A bill for an act relating to workers' compensation; regulating self-insurance; defining various terms; regulating certain administrative duties, powers, and procedures; regulating various benefits; amending Minnesota Statutes 1988, sections 79A.01, by adding a subdivision; 79A.04, subdivision 14; 129A.05, subdivision 2; 175.171; 176.011, subdivisions 15, 21 and 24; 176.021, subdivision 3; 176.081, subdivision 1; 176.101, subdivision 3e; 176.102, subdivisions 3, 3a, 4, and 11; 176.103, subdivision 3; 176.104, subdivision 1; 176.106, subdivisions 7, 8, and 9; 176.111, subdivisions 7 and 8; 176.131, subdivision 1; 176.135, subdivisions 1, 3, 6, 7, and by adding a subdivision; 176.136, subdivision 5; 176.155, subdivision 1; 176.181, subdivision 2; 176.191, subdivision 3; 176.221, subdivision 9; 176.225, subdivision 5; 176.231, subdivisions 8 and 9; 176.238, subdivisions 1, 6, and 9; 176.239, subdivisions 1, 2, 3, and 6; 176.291; 176.305, subdivisions 1 and 4; 176.421, subdivision 7; 176.451, subdivision 4; 176.521, subdivision 1; and 176.83, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1988, sections 176.021, subdivision 3a; 176.111, subdivision 8a; and 176.136, subdivision 3.

Referred to the Committee on Employment.

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

S.F. No. 467: A bill for an act relating to public employment; appointments to the classified service; certification of eligibles; permitting the commissioner of employee relations to limit certification in certain circumstances to those eligibles who meet special qualifications; amending Minnesota Statutes 1988, section 43A.13, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 468: A bill for an act relating to human services; clarifying methods of determining the cost of care rendered at state facilities; allowing the commissioner of human services to charge on a fee for service basis; clarifying responsibility for collection of the cost of care at state-operated, community-based programs for persons with mental retardation or related conditions; clarifying legislative intent to allow the commissioner of human services to continue to collect for cost of care of persons treated for chemical dependency at state facilities; amending Minnesota Statutes 1988, section 246.50, subdivisions 3, 4, and 5, and by adding a subdivision; repealing Minnesota Statutes 1988, section 246.50, subdivisions 3a, 4a, and 9.

Referred to the Committee on Health and Human Services.

Messrs. DeCramer, Purfeerst, Novak and Langseth introduced—

S.F. No. 469: A bill for an act relating to traffic regulations; establishing certain vehicle weight limits; amending Minnesota Statutes 1988, sections 169.825, subdivision 8; and 169.86, subdivision 5.

Referred to the Committee on Transportation.

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

S.F. No. 470: A bill for an act relating to environment; regulating municipal wastewater treatment funding; amending Minnesota Statutes 1988, sections 116.18, subdivisions 3a and 3b; 446A.02, subdivision 4; and 446A.07, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 115.

Referred to the Committee on Environment and Natural Resources.

Mr. Pehler, Ms. Peterson, D.C.; Messrs. Ramstad; Frederickson, D.J. and Pogemiller introduced—

S.F. No. 471: A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; changing the kinds of personnel licensed by the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plan; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Messrs. Pehler; Peterson, R.W.; Larson; Fredrickson, D.J. and Ms. Peterson, D.C. introduced—

S.F. No. 472: A bill for an act relating to education; proposing department of education outcome-based education initiatives; appropriating money; amending Minnesota Statutes 1988, sections 120.011; and 124.19, by adding a subdivision.

Referred to the Committee on Education.

Mr. Johnson, D.J. introduced—

S.F. No. 473: A bill for an act relating to the financing of government in this state; changing the rate and computation of charitable gambling taxes; changing the allocation of money to the budget and cash flow reserve account; amending Minnesota Statutes 1988, sections 16A.1541; 349.12, subdivisions 11, 13, and by adding a subdivision; 349.15; and 349.212, subdivisions 1 and 4.

Referred to the Committee on Taxes and Tax Laws.

Mr. Cohen introduced—

S.F. No. 474: A bill for an act relating to retirement; St. Paul police survivor benefits; amending Minnesota Statutes 1988, section 353B.11, subdivision 3; and Laws 1955, chapter 151, section 13, as amended.

Referred to the Committee on Governmental Operations.

Mr. Vickerman introduced—

S.F. No. 475: A bill for an act relating to veterans; providing for establishment of a veterans home in Worthington; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Berg, Lessard, Merriam and Bernhagen introduced—

S.F. No. 476: A bill for an act relating to game and fish; prohibiting harassment of hunters and anglers; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kroening, Purfeerst, Mrs. McQuaid, Messrs. Merriam and Novak introduced—

S.F. No. 477: A bill for an act relating to regional railroad authorities; permitting authorities to enter certain agreements; amending Minnesota Statutes 1988, section 398A.04, subdivision 9.

Referred to the Committee on Transportation.

Messrs. Pehler, Merriam and Peterson, R.W. introduced—

S.F. No. 478: A bill for an act relating to education; providing for donations to the permanent school fund; amending Minnesota Statutes 1988, sections 84.085 and 124.08.

Referred to the Committee on Education.

Messrs. McGowan, Ramstad, Mrs. Pariseau and Ms. Reichgott introduced—

S.F. No. 479: A bill for an act relating to judicial commitment; requiring the commissioner of corrections to screen criminal sexual conduct offenders before their release from prison to determine if they are psychopathic personalities; requiring the institution of proceedings under the psychopathic personality statute when indicated by the screening examination;



amending Minnesota Statutes 1988, section 526.10; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Judiciary.

Messrs. Anderson, Benson, Larson, Decker and Storm introduced—

S.F. No. 480: A bill for an act relating to taxation; providing an income tax credit for families with only one principal wage earner; amending Minnesota Statutes 1988, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Moe, D.M. introduced—

S.F. No. 481: A bill for an act relating to state government; financing the beginning farmer loan program; regulating certain administrative duties of the commissioner of finance; permitting certain financial arrangements; amending Minnesota Statutes 1988, sections 16A.065; 16A.27, subdivision 5; 16A.58; 16A.631; 16A.641, subdivision 7; 16A.661, subdivision 7; 16A.85; 41B.19, subdivision 5; 41B.195; 115A.58, subdivisions 1, 3, 4, and 5; 115A.59; 116.16, subdivisions 1, 2, 3, 4, 5, and 9; 116.17, subdivisions 1, 3, and 5; 116.18, subdivisions 1, 4, 5, and 6; 124.42, subdivision 3; 136C.44; 216C.37, subdivision 6; 246.50, subdivision 5; 246.64, subdivision 1; 297.13, subdivision 1; 297.32, subdivision 9; and Laws 1987, chapter 396, article 12, section 10; repealing Minnesota Statutes 1988, sections 84B.08; 85A.04, subdivision 2; 115A.57; 136C.42; 136C.43, subdivisions 1, 2, and 3.

Referred to the Committee on Finance.

Mr. Samuelson introduced—

S.F. No. 482: 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.

Messrs. Freeman; Morse; Fredrickson, D.J.; Ms. Piper and Mr. Belanger introduced—

S.F. No. 483: A bill for an act relating to crimes; prohibiting the concealing of criminal proceeds; prohibiting racketeering; providing civil and criminal penalties for engaging in narcotics and violent offenses as part of an enterprise; authorizing the dissolution of a corporate charter, revocation of a license, and injunctive relief to prevent criminal activity by an enterprise; authorizing fines of three times the profit gained through racketeering; authorizing criminal forfeiture; amending Minnesota Statutes 1988, section 541.07; proposing coding for new law in Minnesota Statutes, chapters 541 and 609.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Fredrickson, D.J.; Beckman; Vickerman and Marty introduced—

S.F. No. 484: A bill for an act relating to crimes; controlled substances; imposing a mandatory minimum sentence for certain felonies committed

with an illegal weapon or a semi-automatic assault rifle; increasing the penalties for selling controlled substances to children and for selling or possessing controlled substances in a drug-free school zone; expanding the drug-free school zone to the area within 1,000 feet of a school; providing that public safety be considered by the sentencing guidelines commission in modifying the sentencing guidelines; lowering the threshold amounts of controlled substances required for forfeiture of vehicles and real property; requiring courts to order the forfeiture of property used in controlled substance offenses; amending Minnesota Statutes 1988, sections 244.09, subdivision 5; 609.11, by adding a subdivision; 609.5311, subdivision 3; 609.5314, subdivision 1; and 609.5315, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 152; repealing Minnesota Statutes 1988, section 152.15, subdivision 4a.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S.F. No. 485: A bill for an act relating to elections; providing for the placement of municipal candidates on the ballot; amending Minnesota Statutes 1988, sections 204C.19, subdivision 2; and 205.17, by adding a subdivision.

Referred to the Committee on Elections and Ethics.

Ms. Berglin, Mrs. Brataas, Ms. Reichgott and Mr. Spear introduced—

S.F. No. 486: A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring that a child be in imminent danger for detention; permitting social services to release for detention; requiring finding of reasonable efforts at detention; and imposing requirements for disposition case plans; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141; 260.155, subdivisions 4 and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; and 260.191, subdivisions 1a and 1e.

Referred to the Committee on Health and Human Services.

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

S.F. No. 487: A bill for an act relating to human services; clarifying eligibility requirements for AFDC; revising the Minnesota supplemental aid program; appropriating money; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 237.70, subdivision 7; 237.701, subdivision 1; 256.014, subdivision 1; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivision 3; 256.74, subdivisions 1 and 1a; 256D.01, subdivision 1b; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; and 256D.37, subdivision 1;

proposing coding for new law in Minnesota Statutes, chapter 256D; proposing coding for new law as Minnesota Statutes, chapter 256I; repealing Minnesota Statutes 1988, sections 256D.01, subdivision 1c; 256D.06, subdivisions 3, 4, and 6; 256D.35, subdivisions 2, 3, 4, and 8; 256D.36, subdivision 2; 256D.37, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 256D.38; 256D.39; 256D.41; 256D.42; and 256D.43.

Referred to the Committee on Health and Human Services.

Mses. Berglin, Reichgott, Piper, Mrs. Brataas and Mr. DeCramer introduced—

S.F. No. 488: A bill for an act relating to public employment; defining equitable compensation relationships; requiring an implementation report; providing for review of plans; providing for appeals from a decision of the commissioner; amending Minnesota Statutes 1988, sections 471.992, by adding subdivisions; 471.9981, subdivision 6, and by adding subdivisions.

Referred to the Committee on Governmental Operations.

Ms. Berglin, Mrs. Adkins, Ms. Piper, Messrs. Benson and Freeman introduced—

S.F. No. 489: A bill for an act relating to human services; clarifying and expanding the duties of the ombudsman for older Minnesotans; amending Minnesota Statutes 1988, sections 256.974; 256.9741, subdivisions 3 and 5; 256.9742; 256.9744, subdivision 1; and 256.975, subdivision 2, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mses. Berglin, Piper and Mr. Samuelson introduced—

S.F. No. 490: A bill for an act relating to human services; requiring county community social service plans to address the development of supported employment services; amending Minnesota Statutes 1988, section 256E.09, subdivision 3.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Knutson, Pogemiller, Solon and Freeman introduced—

S.F. No. 491: A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements and funding sources; modifying income eligibility requirements for medical assistance; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 256B.056, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62J.

Referred to the Committee on Health and Human Services.

Mses. Piper; Peterson, D.C.; Messrs. Marty, Vickerman and Chmielewski introduced—

S.F. No. 492: A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health

care access commission to implement and administer the program; establishing eligibility requirements and funding sources; modifying income eligibility requirements for medical assistance; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 256B.056, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62J.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Cohen and Merriam introduced—

S.F. No. 493: A bill for an act relating to juvenile court; expanding the definition of child in need of protection or services; expanding the child hearsay exception to include statements regarding the abuse or neglect of another child witnessed by the child making the statement; clarifying the authority of the court to order the temporary removal of a child due to immediate endangerment; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.156; and 260.172, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Ramstad, Belanger and McGowan introduced—

S.F. No. 494: A bill for an act relating to corrections; requiring the commissioner of corrections to incarcerate two persons in a cell when necessary; amending Minnesota Statutes 1988, section 243.53.

Referred to the Committee on Health and Human Services.

Messrs. Freeman, Metzen, Belanger and Solon introduced—

S.F. No. 495: A bill for an act relating to commerce; regulating motor vehicle sales and distribution; determining reasonable compensation for warranty services performed by dealers; amending Minnesota Statutes 1988, section 80E.04, subdivision 2.

Referred to the Committee on Commerce.

Mr. Lessard introduced—

S.F. No. 496: A bill for an act relating to game and fish; allowing possession of a handgun while hunting bear with bow and arrow; amending Minnesota Statutes 1988, section 97B.211, subdivision 1.

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 13, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWELFTH DAY

St. Paul, Minnesota, Monday, February 13, 1989

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

Prayer was offered by the Chaplain, Monsignor Terrence J. Murphy.

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

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

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.

February 9, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
	1	2	1559 hours February 8	February 8

Sincerely,  
Joan Anderson Growe  
Secretary of State

### 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. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 204: A bill for an act relating to elections; providing for the removal of certain voter registration cards; amending Minnesota Statutes 1988, section 201.13.

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

Page 1, line 23, delete "*while maintaining residence*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 169: A bill for an act relating to motor vehicles; allowing custodial parent of handicapped minor to obtain special license plates for the handicapped; amending Minnesota Statutes 1988, section 168.021, subdivision 1.

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

Page 1, after line 21, insert:

"Sec. 2. Minnesota Statutes 1988, section 168.021, subdivision 3, is amended to read:

Subd. 3. [PENALTIES FOR UNAUTHORIZED USE OF PLATES.] (a) A person who uses the plates provided under this section on a motor vehicle in violation of this section is guilty of a misdemeanor, and is subject to a fine of \$500. This subdivision does not preclude a person who is not physically handicapped from operating a vehicle bearing the plates if:

(1) the person is the owner of the vehicle and permits its operation by a physically handicapped person; ~~or~~ ~~if~~;

(2) the person operates the vehicle with the consent of the owner who is physically handicapped; *or*

(3) *the person is the owner of the vehicle, is the custodial parent or guardian of a permanently physically handicapped minor, and operates the vehicle to transport the minor.*

(b) A driver who is not handicapped is not entitled to the parking privileges provided in this section and in section 169.346 unless parking the vehicle for a physically handicapped person.”

Amend the title as follows:

Page 1, line 5, delete “subdivision 1” and insert “subdivisions 1 and 3”

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 115: A bill for an act relating to the military; requiring the adjutant general to furnish flags for certain deceased members of the national guard regardless of their number of years of service; amending Minnesota Statutes 1988, section 192.381.

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 191: A bill for an act relating to the military; reducing from two years to one year the number of years the adjutant general of the Minnesota national guard is required to serve as a brigadier general before promotion to major general; amending Minnesota Statutes 1988, section 190.07.

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 286: A bill for an act relating to the military; clarifying the authority of the adjutant general to establish the pay grade for certain staff positions; amending Minnesota Statutes 1988, section 190.08, subdivision 6.

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. 363: A bill for an act relating to human services; clarifying administrative and judicial review procedures; creating new procedures; amending Minnesota Statutes 1988, section 256.045, subdivisions 1, 3, 4, 4a, 5, 6, and 10, and by adding a subdivision.

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

Page 3, line 31, delete everything after the period

Page 3, delete line 32

Page 3, line 33, delete “*of the ombudsman.*” and insert “*When a prepaid*

*health plan denies, reduces, or terminates a health service, the prepaid health plan must notify the recipient of the right to file a complaint or an appeal. The notice must include the name and telephone number of the ombudsman and notice of the recipient's right to request a hearing under paragraph (b). When a complaint is filed, the prepaid health plan must notify the ombudsman within three working days."*

Page 4, line 1, after the period, insert "A recipient is not required to exhaust the complaint system procedures in order to request a hearing under paragraph (b)."

Page 4, line 5, delete "the" and insert "a"

Page 4, line 13, after the period, insert "The state human services referee may order a second medical opinion from the prepaid health plan or may order a second medical opinion from a nonprepaid health plan provider at the expense of the prepaid health plan. Recipients may request the assistance of the ombudsman in the appeal process."

Page 4, line 15, delete "ruling of a prepaid health plan" and insert "prepaid health plan's denial, reduction, or termination of a health service or the prepaid health plan's written resolution to a complaint"

Page 4, line 16, delete everything after the period

Page 4, delete lines 17 and 18

Page 4, line 19, delete "at the expense of the prepaid health plan."

Page 4, line 23, delete everything after the period

Page 4, delete line 24

Page 4, line 34, after the period, insert "A state human services referee may schedule a telephone conference hearing when the distance or time required to travel to the local agency offices will cause a delay in the issuance of an order, to promote efficiency, or at the mutual request of the parties."

Page 6, lines 28 to 35, delete the new language and insert "The commissioner may issue a temporary order prohibiting the demission of a recipient of case management services from a residential or day habilitation program licensed under chapter 245A, while a local agency review process or an appeal brought by a recipient under this subdivision is pending, or for the period of time necessary for the local agency to implement the commissioner's order. The commissioner shall not issue a final order staying the demission of a recipient of case management services from a residential or day habilitation program licensed pursuant to chapter 245A."

Page 7, line 8, delete everything after "facts" and insert a period

Page 7, delete line 9

Page 7, line 10, delete the new language

Page 7, delete lines 35 and 36

Page 8, delete lines 1 and 2 and insert "Any order of the commissioner is binding on the parties and must be implemented by the state agency or a local agency until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10."



Page 8, after line 30, insert:

"Sec. 8. Minnesota Statutes 1988, section 256.045, subdivision 7, is amended to read:

Subd. 7. [JUDICIAL REVIEW.] Any party who is aggrieved by an order of the commissioner of human services may appeal the order to the district court of the county responsible for furnishing assistance by serving a written copy of a notice of appeal upon the commissioner and any adverse party of record within 30 days after the date the commissioner issued the order, *the amended order, or order affirming the original order*; and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the court administrator in appeals taken pursuant to this subdivision. The commissioner may elect to become a party to the proceedings in the district court. Any party may demand that the commissioner furnish all parties to the proceedings with a copy of the decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the human services referee, by serving a written demand upon the commissioner within 30 days after service of the notice of appeal. *Any party aggrieved by the failure of an adverse party to obey an order issued by the commissioner under subdivision 5 may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.*"

Page 8, line 31, delete "8" and insert "9"

Amend the title as follows:

Page 1, line 5, after "6," insert "7,"

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. 117: A bill for an act relating to human services; allowing case managers or the commissioner to carry out screening for home and community-based services; allowing counties to contract for guardianship services in screening for services; amending Minnesota Statutes 1988, section 256B.092, subdivision 7.

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

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1988, section 252.291, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) The commissioner of human services in coordination with the commissioner of health may approve a newly constructed or newly established publicly or privately operated community intermediate care facility for six or fewer persons with mental retardation or related conditions only when the following circumstances exist:

(a) (1) when the facility is developed in accordance with a request for proposal approved by the commissioner of human services;

(b) (2) when the facility is necessary to serve the needs of identified

persons with mental retardation or related conditions who are seriously behaviorally disordered or who are seriously physically or sensorily impaired-~~At least 50 percent of the capacity of the facility must be used for persons coming from regional treatment centers;~~ and

(e) (3) when the commissioner determines that the need for increased service capacity cannot be met by the use of alternative resources or the modification of existing facilities.

*(b) When new beds are authorized, at least 50 percent of the total new beds authorized during a biennium must be used for persons coming from regional treatment centers."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "modifying the method of applying the requirement that at least 50 percent of new intermediate care beds be used for persons transferred from the regional treatment centers;"

Page 1, line 6, delete "section" and insert "sections 252.291, subdivision 2; and"

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. 91: A bill for an act relating to human services; authorizing the commissioner of human services to award a grant to a statewide parent self-help child abuse prevention organization; 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.

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

S.F. No. 218: A bill for an act relating to health; amending the bill of rights for patients and residents of health facilities; requiring health facilities to notify family members of the admission of a patient or resident under certain circumstances; amending Minnesota Statutes 1988, section 144.651, subdivision 10.

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

Page 1, line 12, before "Patients" insert "(a)"

Page 1, line 21, delete everything after the period

Page 1, delete line 22 and insert:

*"(b) If a patient or resident who enters a facility is unconscious or comatose or is physically unable to communicate"*

Page 1, line 23, delete "impossible"

Page 2, line 2, delete everything after the period and insert *"If a facility notifies a family member or allows a family member to participate in treatment planning as required under this paragraph, the facility is not*

*liable to the patient or resident for damages on the grounds that the notification or the participation of the family member was improper or violated the patient's privacy rights. If the patient or resident is deceased, a family member or family members collectively may recover damages from the facility for the facility's failure to comply with the requirements of this paragraph. Family members collectively are conclusively presumed to be damaged in a minimum amount of \$5,000, but nothing in this paragraph prevents family members from recovering a greater amount of damages to the extent allowable and proven."*

Page 2, delete lines 3 to 8

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 123: A bill for an act relating to state government; providing for the establishment of an audit guide task force by the state auditor; amending Minnesota Statutes 1988, section 6.65.

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. 206: A bill for an act relating to state government; administrative procedures; regulating exempt rules; making certain technical changes; amending Minnesota Statutes 1988, section 14.40; proposing coding for new law in Minnesota Statutes, chapter 14; repealing Minnesota Statutes 1988, sections 116.44, subdivision 1; 144A.10, subdivision 6a; 174.031, subdivision 2; 254B.03, subdivision 6; 254B.04, subdivision 2; 257.357; and 574.262, subdivision 3; Laws 1985, chapter 4, section 8; and Laws 1987, chapter 337, section 128.

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

Delete everything after the enacting clause and insert:

"Section 1. [3.846] [PUBLICATION OF NOTICE OF EXEMPT RULES.]

*Subdivision 1. [REQUIREMENT.] (a) Except as provided in paragraph (b), no rule, as defined in section 14.02, subdivision 4, that is exempt from the rulemaking provisions of chapter 14, has the force and effect of law unless a notice has been published and filed under subdivision 2 before its effective date.*

*(b) Rules of the division of game and fish may have the force and effect of law up to seven days before publishing and filing under subdivision 2 if the commissioner of natural resources determines that an emergency exists and for a rule that affects more than three counties publishes the rule once in a legal newspaper in Minneapolis, St. Paul, and Duluth, or for a rule that affects three or fewer counties publishes the rule once in a legal newspaper in the affected counties. A rule of the division of game and fish that is published under this paragraph is not effective until seven days after the rule is published in the legal newspapers as provided in this*

*paragraph or the rule is published and filed under subdivision 2, whichever is earlier.*

*Subd. 2. [NOTICE.] The notice must be published in the state register and filed with the secretary of state and the legislative commission to review administrative rules. The notice must contain a citation to the statutory authority for the exempt rule and either: (1) a copy of the rule; or (2) a description of the nature and effect of the rule and an announcement that a free copy of the rule is available from the agency on request.*

*Subd. 3. [ALTERNATIVE COMPLIANCE.] Notwithstanding subdivisions 1 and 2, a rule subject to this section has the force and effect of law if it has satisfied the requirements of section 14.38, subdivision 7.*

Sec. 2. Minnesota Statutes 1988, section 14.40, is amended to read:

14.40 [REVIEW OF RULES BY COMMISSION.]

*Subdivision. 1. [PURPOSE.] The commission shall promote adequate and proper rules by agencies and an understanding upon the part of the public respecting them.*

*Subd. 2. [JURISDICTION.] The jurisdiction of the commission includes all rules as defined in section 14.02, subdivision 4. The commission also has jurisdiction of rules which are filed with the secretary of state in accordance with section 14.38, subdivisions 5, 6, 7, 8, 9, and 11 or were filed with the secretary of state in accordance with the provisions of section 14.38, subdivisions 5 to 9, which were in effect on the date the rules were filed.*

*The commission may periodically review statutory exemptions to the rulemaking provisions of chapter 14.*

*Subd. 3. [HEARINGS.] † The commission may hold public hearings to investigate complaints with respect to rules if it considers the complaints meritorious and worthy of attention. If the rules that are the subject of the public hearing were adopted without a rulemaking hearing, it may request the office of administrative hearings to hold the public hearing and prepare a report summarizing the testimony received at the hearing. The office of administrative hearings shall assess the costs of the public hearing to the agency whose rules are the subject of the hearing.*

*Subd. 4. [SUSPENSIONS.] The commission may, on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of section 14.42 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed.*

*Subd. 5. [BIENNIAL REPORT.] The commission shall make a biennial report to the legislature and governor of its activities and include its recommendations to promote adequate and proper rules and public understanding of the rules.*

Sec. 3. Minnesota Statutes 1988, section 97A.051, subdivision 4, is amended to read:

*Subd. 4. [ORDERS AND RULES HAVE FORCE AND EFFECT OF LAW.] When ~~the~~ an order or rule is ~~executed and published~~ effective, it*

has the force and effect of law. Violation of an order or rule has the same penalty as a violation of the law.

Sec. 4. [APPLICATION.]

*Section 1 applies to exempt rules adopted after the effective date of this act.*

Sec. 5. [REPEALER.]

*(a) Minnesota Statutes 1988, sections 97A.051, subdivision 3; 144A.10, subdivision 6a; 174.031, subdivision 2; 254B.03, subdivision 6; 254B.04, subdivision 2; 257.357; and 574.262, subdivision 3, are repealed.*

*(b) Laws 1985, chapter 4, section 8; and Laws 1987, chapter 337, section 128, are repealed.*

Sec. 6. [REVISOR'S INSTRUCTION.]

*The revisor shall renumber Minnesota Statutes, section 14.40, as Minnesota Statutes, section 3.845.*

Sec. 7. [EFFECTIVE DATE.]

*Sections 1 to 5 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to state government; administrative procedures; regulating exempt rules; making certain technical changes; amending Minnesota Statutes 1988, sections 14.40; and 97A.051, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes 1988, sections 97A.051, subdivision 3; 144A.10, subdivision 6a; 174.031, subdivision 2; 254B.03, subdivision 6; 254B.04, subdivision 2; 257.357; and 574.262, subdivision 3; Laws 1985, chapter 4, section 8; and Laws 1987, chapter 337, section 128."

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. 119: A bill for an act relating to local government; authorizing towns to establish subordinate service districts; proposing coding for new law as Minnesota Statutes, chapter 365B.

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

S.F. No. 121: A bill for an act relating to towns; authorizing town boards to provide for the collection of unpaid service charges; proposing coding for new law in Minnesota Statutes, chapter 366.

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

H.F. No. 113: A bill for an act relating to local government; granting powers to towns; setting certain procedures; amending Minnesota Statutes 1988, sections 366.01, subdivision 7; 471.193, subdivision 2; 471.345, subdivision 5a; and 505.09, subdivision 1; repealing Minnesota Statutes 1988, section 368.121.

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

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

S.F. No. 319: A bill for an act relating to agriculture; authorizing a grasshopper control program; providing inspection and control of plant pests in the same manner as noxious weeds; providing for inspection, control, and enforcement of noxious weeds and plant pests; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18.022, subdivision 2; 84.0895, subdivision 2; and 160.02, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1988, sections 18.171 to 18.315; Revised Laws of Minnesota 1905, sections 2385, 2386, 2387, 2388, 2389, and 2390.

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 1988, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] (a) ~~In order~~ To defray the cost of ~~such the~~ activities under subdivision 1, the governing body of ~~any such~~ a political subdivision may levy a special tax which, except when levied by a county, ~~shall must~~ not exceed two-thirds mill in any year in excess of charter or statutory millage limitations; ~~but not in any event more than 50 cents per capita, and any such.~~ The political subdivision may make ~~such a~~ the levy, where necessary, separate from the general levy and at any time of the year. (b) If, because of the prevalence of Dutch elm disease, the governing body of such a political subdivision is unable to defray the cost of control activities authorized by this section within the limits set by this subdivision, the limits set by this subdivision are increased to 1-1/3 mills, but not in any event more than one dollar per capita.

#### NOXIOUS WEED AND PLANT PEST CONTROL

Sec. 2. [18.801] [CITATION.]

*Sections 2 to 22 may be cited as the “noxious weed and plant pest control law.”*

Sec. 3. [18.805] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 22. [18.171 s. 1]*

*Subd. 2. [ERADICATE.] “Eradicate” means complete killing of weeds and plant pest habitat by use of cutting, chemicals, tillage, cropping system, pasturing, livestock, or crops, or all of these in effective combination.*

[18.171 s. 6]

*Subd. 3. [LAND.] "Land" includes wetlands and public waters. [18.171 s. 8]*

*Subd. 4. [MUNICIPALITY.] "Municipality" means a statutory or home rule charter city or township. [18.171 s. 2]*

*Subd. 5. [NONRESIDENT PROPERTY.] "Nonresident property" means property that is unoccupied, the owner of which does not reside within the county. [18.171 s. 3]*

*Subd. 6. [NOXIOUS WEEDS.] "Noxious weeds" means the annual, biennial, and perennial plants that are declared noxious weeds by law, or by the commissioner by order after determining the plants to be injurious to public health or welfare, public roads, crops, livestock, and other property. Wild sunflowers are a noxious weed. The commissioner's orders under this subdivision are not subject to chapter 14, except section 14.38, subdivisions 7 and 8. [18.171 s. 5]*

*Subd. 7. [OTHERWISE DESTROY.] "Otherwise destroy" means killing plant pests, noxious weeds, or plant pest habitat above the surface of the ground. [18.171 s. 6]*

*Subd. 8. [PERMANENT PASTURE AND MEADOW.] "Permanent pasture and meadow" means an area of native or seeded perennial grasses and other perennial plants used for hay or grazing that has been seeded for more than two years and does not include annuals or biennials planted for or to be used for hay or pasture not more than one or two years. [18.171 s. 7]*

*Subd. 9. [PLANT PESTS.] "Plant pests" means insects and other animals declared to be plant pests by law, or by the commissioner by order after determining the plant pests are injurious to the public health or welfare and damaging to plants. The commissioner's orders under this subdivision are not subject to chapter 14, except section 14.38, subdivisions 7 and 8.*

*Subd. 10. [RESIDENT PROPERTY.] "Resident property" means property occupied or owned by persons residing within the county. [18.171 s. 4]*

*Subd. 11. [ROAD.] "Road" means trunk highways, county state-aid highways, county highways, minimum maintenance roads, and cartways.*

*Subd. 12. [ROAD AUTHORITY.] "Road authority" means the commissioner for trunk highways, the county board for county state-aid highways and county highways, the town board for town roads, and the governing bodies of cities if the governing bodies or city streets are specifically mentioned.*

*Subd. 13. [WEED AND PLANT PEST LAW.] "Weed and plant pest law" means the provisions of sections 2 to 22 and other provisions of law relating to weed and plant pest control.*

#### RESPONSIBILITY FOR WEED AND PLANT PEST CONTROL

**Sec. 4. [18.811] [LANDOWNER'S RESPONSIBILITY FOR NOXIOUS WEED AND PLANT PEST CONTROL.]**

*Subdivision 1. [GENERAL DUTY.] Except as otherwise specifically provided in sections 2 to 22, a person occupying property or, if the property*

is unoccupied, the owner of the property, the owner's agent, or the public official in charge of the property must:

(1) eradicate or otherwise destroy noxious weeds standing, existing, or growing on the land in a manner and at times directed or ordered by the commissioner, the commissioner's authorized agents, the county agricultural inspector, or a local weed and plant pest inspector having jurisdiction over the land; and

(2) eradicate or otherwise destroy plant pests and plant pest habitat in a manner and at times directed or ordered by the commissioner, the commissioner's authorized agents, the county agricultural inspector, or a local weed and plant pest inspector having jurisdiction over the land. [18.191]

*Subd. 2. [RESPONSIBILITY FOR PURPLE LOOSESTRIFE ON PUBLIC WATERS.]* (a) Except as provided in paragraph (b), an owner of nonfederal lands underlying public waters or wetlands designated under section 105.391 is not required to control or eradicate purple loosestrife (*Lythrum salicaria*) below the ordinary high water level of the public water or wetland. The commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands designated under section 105.391, except purple loosestrife on lands owned in fee title or managed by the United States. The officers, employees, agents, and contractors of the commissioner may enter public waters and wetlands designated under section 105.391 and may cross adjacent lands as necessary for the purpose of investigating purple loosestrife infestations, formulating methods of eradication, and implementing control and eradication of purple loosestrife.

(b) The responsibility of the commissioner to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter private lands ends 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 2 to 22.

(c) State officers, employees, agents, and contractors are not liable in a civil action for trespass committed in the discharge of their duties under this section and are not liable to anyone for damages, except for damages arising from gross negligence. [18.191]

**Sec. 5. [18.815] [RAILWAY COMPANIES MUST DESTROY NOXIOUS WEEDS AND PLANT PESTS.]**

*Subdivision 1. [DUTY TO ERADICATE.]* Railway companies including suburban railway companies must:

(1) cause all noxious weeds standing, existing, or growing on the right-of-way or on property of the company adjoining the right-of-way, to be eradicated or otherwise destroyed in a manner and at times directed or ordered by the commissioner, the local weed and plant pest inspector, or the county agricultural inspector after consultation with the local weed and plant pest inspector; and

(2) eradicate or otherwise destroy plant pests and plant pest habitat in a manner and at times directed or ordered by the commissioner, the local weed and plant pest inspector, or the county agricultural inspector after consultation with the local weed and plant pest inspector. [18.201]

*Subd. 2. [FAILURE TO ERADICATE.]* (a) If a company fails to perform



*its duty, the local weed and plant pest inspector, or the county agricultural inspector after consultation with the local weed and plant pest inspector, shall give the notice provided in section 14, subdivision 2. The notice must be served in the manner for serving a summons in a civil action in the district court.*

*(b) If the weeds, plant pests, or plant pest habitat are not eradicated or otherwise destroyed within the time directed in the notice, the local weed and plant pest inspector, the county agricultural inspector after consultation with the local weed and plant pest inspector, or the commissioner shall cause the weeds, plant pests, or plant pest habitat to be eradicated and otherwise destroyed and furnish the owner of the land where the weeds or plants grew or where the plant pests were located with an itemized statement showing the reasonable cost of eradication and destroying the weeds or the plant pests or plant pest habitat. The owner of the land must pay the reasonable cost to the municipality that caused the eradication or destruction of the weeds, plant pests, or plant pest habitat. If the owner fails to pay the reasonable cost within 20 days after the statement is furnished, the reasonable cost of eradication and destruction of the weeds or plant pests or plant pest habitat may be recovered by the municipality or by the commissioner in a civil action. [18.201]*

Sec. 6. [18.821] [ROAD AUTHORITY RESPONSIBILITY FOR NOXIOUS WEEDS AND PLANT PESTS.]

*Subdivision 1. [RESPONSIBILITY FOR ERADICATION.] Road authorities must:*

*(1) annually eradicate or otherwise destroy noxious weeds standing, located, or growing on roads and their right-of-ways, as often as necessary to prevent the ripening or scattering of seed and other propagating parts of the weeds, in the manner directed or ordered by the commissioner or the county agricultural inspector or local weed and plant pest inspector having jurisdiction; and*

*(2) eradicate or otherwise destroy plant pests and plant pest habitat in a manner and at times directed by the commissioner or the county agricultural inspector or local weed and plant pest inspector having jurisdiction. [18.211]*

*Subd. 2. [ACCOUNTING FOR EXPENSE.] The expense incurred must be charged against maintenance funds of the road authority provided for this purpose. [18.211]*

Sec. 7. [18.825] [TAX-FORFEIT, TAX-EXEMPT, AND INDIAN RESERVATION LAND.]

*If the officials or persons in charge of tax-exempt or tax-forfeited lands or Indian reservation lands fail to eradicate or otherwise destroy noxious weeds, plant pests, or plant pest habitat in the manner prescribed in sections 2 to 22, or as provided in a served notice within the required number of days after service, the commissioner shall proceed to cause the noxious weeds, plant pest habitat, or plant pests to be eradicated or otherwise destroyed. The expense incurred is a charge against funds provided for this purpose and, on presentation of an itemized account of the charges, payment must be made by the public officials in charge of the funds. [18.241 s. 3]*

Sec. 8. [18.831] [CONTROL ON STATE LANDS.]

*Subdivision 1. [LOCAL CONTROL IF STATE FAILS.] A town or municipality may eradicate or otherwise destroy or act to control noxious weeds or plant pests or plant pest habitat on state-owned property that is located within the boundary of the town or city if the state agency responsible for supervision and maintenance of the land fails to take steps to control the noxious weeds or plant pests or plant pest habitat within 14 days of receiving a notice to control the noxious weeds, plant pests, or plant pest habitat from the town board or city council. [18.315]*

*Subd. 2. [EXPENSES.] A town or city that eradicates or otherwise destroys or acts to control noxious weeds, plant pests, or plant pest habitat under this section must be reimbursed from the operating budget of the state agency responsible for the land and the amount is appropriated from that fund on presentation of documented proof of reasonable and necessary expenses incurred to prevent the spread of noxious weeds or plant pests from the state-owned land. Each request for reimbursement must first be approved by the commissioner of agriculture. [18.315]*

**Sec. 9. [18.835] [THRESHING EQUIPMENT CLEANED BEFORE MOVING.]**

*Subdivision 1. [CLEANING OF THRESHING MACHINES REQUIRED.] A person owning or operating a threshing machine, combine, seed huller, hay baler, or other equipment used in the harvesting of crops, must immediately after completing the threshing of grain or seed at each and every point of threshing or before interstate or intrastate transit, clean or cause the machine to be cleaned, along with wagons and other outfits used in connection with the threshing, so that seeds of noxious weeds are not carried to, or on the way to, the next place of threshing by the threshing outfit. [18.221]*

*Subd. 2. [NOTICE.] A printed copy of this section, in form provided by the commissioner, must be affixed by the owner and remain affixed to every threshing machine, combine, seed huller, hay baler and other equipment used in the harvesting of crops whenever that equipment is operated in the state. [18.221]*

*Subd. 3. [FINE.] A person violating this section is subject to a fine of not less than \$10 nor more than \$25 for each violation. [18.221]*

**Sec. 10. [18.841] [TRANSPORTATION OF NOXIOUS WEED MATERIAL.]**

*(a) Except as provided in section 21.74, a person may not transport on a public highway materials containing seeds or other propagating parts of leafy spurge, horse nettle, Austrian field cress, field bindweed, perennial pepper grass, wild radish, sow thistle, Canada thistle, hoary alyssum, purple loosestrife, or any other noxious weed designated by the commissioner, unless the person obtains a written permit for the transportation of the material from a local or state weed and plant inspector or a county agricultural inspector.*

*(b) Inspectors may issue permits to persons residing or operating within their respective jurisdictions to regulate the transportation of the material and to require proper treatment, cleaning, sterilization, or destruction of material that has been or is about to be transported or deposited to prevent the growing or scattering of any weed seeds or other propagating parts contained in the material.*

*(c) Copies of permits issued under this section must be immediately sent to the commissioner. [18.241 s. 2]*

**Sec. 11. [18.845] [PACKAGING OF TRANSPORTED NOXIOUS WEED MATERIAL.]**

*Except as provided in section 21.74, a person may not transport on a public highway grain seed, screenings, hay forage, straw, soil, gravel, sand, or refuse and other materials containing seeds and other propagating parts of leafy spurge, horse nettle, Austrian field cress, field bindweed, perennial pepper grass, wild radish, sow thistle, Canada thistle, hoary alyssum, purple loosestrife, or any other noxious weeds designated by the commissioner, unless it is in sacks, bales, boxes, or other containers sufficiently tight and closed or covered with canvas or other material to prevent seeds and other propagating parts of the weeds from blowing or scattering along the highway or on other lands or water. [18.241 s. 2]*

**Sec. 12. [18.851] [SCATTERING OR DUMPING NOXIOUS WEED MATERIAL PROHIBITED.]**

*Subdivision 1. [SCATTERING OR DUMPING PROHIBITED.] Except as provided in subdivision 2, a person may not scatter or dump on land or in water:*

*(1) grain, seed, and screenings containing seeds and other propagating parts of noxious weeds in excess of legal limits of weed seeds per pound in agricultural seed; or*

*(2) soil, gravel, rubbish, trash, and other materials containing seeds or other propagating parts of noxious weeds in harmful amounts as determined by rule of the commissioner. [18.241 s. 2]*

*Subd. 2. [EXCEPTION.] The material described in subdivision 1 may be scattered or dumped if it is processed, treated, or buried sufficiently deep to destroy viable seeds and other propagating parts contained by the material so that the legal limit of viable weed seeds per pound in agricultural seed is not exceeded. [18.241 s. 2]*

**INSPECTION AND WEED CONTROL**

**Sec. 13. [18.855] [INSPECTORS.]**

*Subdivision 1. [COUNTY AGRICULTURAL INSPECTORS.] (a) The board of county commissioners, when requested by the commissioner, shall appoint one or more county agricultural inspectors who meet qualifications prescribed by the commissioner.*

*(b) Agricultural inspectors shall:*

*(1) enforce the provisions of laws and rules relating to weed control and seed inspection;*

*(2) enforce laws and rules relating to plant pests and plant pest control;*

*(3) participate in insect and plant disease, poison, feed, and fertilizer programs; and*

*(4) participate in other agricultural programs by request of the commissioner that are under the commissioner's control, unless the board of county commissioners vetoes participation in the programs.*

*(c) The appointment of agricultural inspectors is for full-time employment, or for a period of time mutually agreeable to the board of county*

*commissioners and the commissioner. The resolution appointing agricultural inspectors must set the compensation to be paid to the persons appointed and in addition provide for reimbursement of necessary traveling expenses. [18.231 s. 1]*

**Subd. 2. [TOWN BOARD MEMBERS AS LOCAL WEED AND PLANT PEST INSPECTORS.]** *(a) The members of town boards are local weed and plant pest inspectors within their respective towns.*

*(b) A town board may appoint persons as assistant weed and plant pest inspectors. An assistant weed and plant pest inspector has the powers and authority of a town board member as a weed and plant pest inspector. An appointment may be for full time or part time. Notice of an appointment, with a statement of the time for which appointment is made, must be delivered to the commissioner within ten days after the date the appointment was made.*

*(c) The town board shall compensate the local weed and plant pest inspectors and assistant inspectors at a rate of at least \$1 per hour plus necessary traveling expenses. The hourly compensation must be an amount determined by the town board that is consistent with the hourly wage rate prevailing in the community or area for similar work and sufficient to obtain competent inspectors. The compensation is to be in addition to the amount allowed by law for other supervisory duties, if any, performed by the local weed and plant pest inspectors or assistant inspectors. [18.231 s. 2]*

**Subd. 3. [MAYOR OF MUNICIPALITY IS LOCAL WEED AND PLANT PEST INSPECTOR.]** *(a) Except as provided in subdivision 4, the mayor of a municipality is the local weed and plant pest inspector in the municipality.*

*(b) A mayor of a municipality may appoint persons as assistant weed and plant pest inspectors in the municipality. An assistant local weed and plant pest inspector has the powers and authority of a local weed and plant pest inspector.*

*(c) Notice of an appointment must be sent to the commissioner within ten days from the date of the appointment.*

*(d) The compensation of the local weed and plant pest inspectors and assistant inspectors must be at least \$1 per hour plus necessary expenses. The hourly compensation must be determined by the municipal council in an amount consistent with the hourly wage rate prevailing in their community or area for similar work and sufficient to obtain competent inspectors. The compensation must be paid from the general revenue fund or other fund of the municipality designated by the council and is in addition to compensation and expenses paid to the local weed and plant pest inspectors or assistant inspectors for other duties as an official or employee of the municipality. [18.231 s. 3]*

**Subd. 4. [MINNEAPOLIS WEED AND PLANT PEST INSPECTOR.]** *(a) Notwithstanding the provisions of subdivision 3, the governing body of the city of Minneapolis shall appoint or designate an employee of the city as local weed and plant pest inspector and set an amount for compensation.*

*(b) The commissioner must be sent notice within ten days of the appointment or designation. [18.231 s. 3a]*

**Subd. 5. [PAYMENT OF EXPENSES.]** *(a) Failure on the part of a*

*municipality or town to include the item of weed inspection in the annual budget is not an excuse and does not justify the nonpayment of charges or expenses incurred by inspectors under sections 2 to 22. The charges or expenses must be audited and paid as other obligations of the municipality or town are paid.*

*(b) If the commissioner determines that weed inspection has not been done commensurate with the bill presented, the commissioner may recommend to the county board, town board, or municipal council that the bill not be paid. [18.231 s. 4]*

*Subd. 6. [PAYMENT BY COUNTY.] If a municipality or town neglects or refuses, for a period of 60 days, to make payments of charges or expenses incurred by local weed and plant pest inspectors, the inspectors must be paid by the county auditor on the recommendation of the commissioner, and the total of the amounts paid by the county must be included by the county auditor as a part of the next annual tax levy in the municipality or town and withheld from that municipality or town in making the next apportionment to the municipality or town. [18.231 s. 5]*

**Sec. 14. [18.861] [DUTIES OF LOCAL WEED AND PLANT PEST INSPECTORS.]**

*Subdivision 1. [EXAMINATION OF LAND.] A local weed and plant pest inspector shall examine all lands, roads, alleys, and public ground in the inspector's jurisdiction to determine if the property is in compliance with the weed and plant pest law and the rules of the commissioner. [18.241 s. 1]*

*Subd. 2. [NOTICE.] (a) If a local weed and plant pest inspector finds that property is not in compliance, the inspector shall cause a notice, in writing, on a form to be prescribed by the commissioner, to be given to the proper public official or to the owner or occupant, or to the agent of an owner of nonresidential lands where noxious weeds are standing or growing and in danger of going to seed or otherwise spreading, or plant pests are located or plants harboring the eggs or offspring of plant pests are located.*

*(b) The notice must require:*

*(1) the noxious weeds to be cut down, otherwise destroyed, or eradicated on the land in a specified time and manner; or*

*(2) plant pests eradicated or the plant pests or pest-harboring plants eradicated or otherwise destroyed. [18.241 s. 1]*

*Subd. 3. [INSPECTOR ATTENDANCE AT CONFERENCES.] The inspector shall also attend, when required, conferences called by the commissioner to receive instructions and for a discussion of the weed and plant pest law and its administration. The commissioner must inform inspectors on control methods that minimize adverse environmental impact. [18.241 s. 1]*

**Sec. 15. [18.865] [NOTICE AND DESTRUCTION OF WEEDS BY INSPECTORS.]**

*Subdivision 1. [WEED AND PLANT PEST CONTROL NOTICES.] Weed and plant pest control notices may be general notices or individual notices. The notices must be of a form prescribed by the commissioner. [18.271 s. 1]*

*Subd. 2. [GENERAL NOTICE.] A general notice must be published by*

*the local weed and plant pest inspector of a township, municipality, or county, in one or more legal newspapers of general circulation throughout the area over which the inspector has jurisdiction, on or before June 15 of each year, and at other times as directed by the commissioner or determined by the local weed and plant pest inspectors. [18.271 s. 1]*

*Subd. 3. [LACK OF NOTICE DOES NOT RELIEVE LANDOWNER.] Failure of an inspector to publish general notices or to serve individual notices does not relieve a person from the duty of compliance with the weed and plant pest law. Published general notice is legal and sufficient notice. [18.271 s. 1]*

*Subd. 4. [INDIVIDUAL NOTICES.] (a) An inspector may cause individual notices to be served on landowners and occupants if more prompt or definite control or eradication of noxious weeds or plant pests in certain special or individual instances involving one or a limited number of persons is needed than is accomplished by the general published notices. Individual notices must be in writing and served on the owner and the occupant, if the occupant is not the owner, giving specific instructions and methods of when and how certain named weeds and plant pests are to be controlled or eradicated.*

*(b) The methods of control may include definite systems of tillage, cropping, management, and use of livestock and must be designed to minimize adverse environmental impact.*

*(c) Individual notices must be served in the same manner as a summons in a civil action in the district court or by certified mail. Service on persons living temporarily or permanently outside of the inspectors' jurisdiction whose property is vacant or unoccupied may be made by sending the notice by certified mail to the last known address of the person, to be ascertained, if necessary, from the last tax list in the county treasurer's office. [18.271 s. 2]*

*Subd. 5. [DESTRUCTION BY INSPECTOR.] (a) If a person is served a notice but fails to eradicate or otherwise destroy noxious weeds or plant pests or a crop where the weeds or plant pests are intermingled or growing, within the time and manner designated by the inspector, the local weed and plant pest inspector having jurisdiction, or if there is no local weed and plant pest inspector, the county agricultural inspector or the commissioner, shall cause the weeds or plant pest habitat to be eradicated or otherwise destroyed at the expense of the county where the land is located.*

*(b) The claim for the expense of serving notices and the cost of eradicating or otherwise destroying the noxious weeds or plant pests is a legal charge against the county where the land is located. After eradicating or otherwise destroying noxious weeds or plant pests, the inspector or the commissioner directing the control shall file verified and itemized statements of the costs of the services rendered in connection with serving of notices and eradicating or otherwise destroying the noxious weeds or plant pests on each separate tract or lot of land, with the county auditor where the land is located. The county auditor shall immediately issue proper warrants to pay the persons owed for the amounts specified.*

*(c) The amount of the expenses is a lien in favor of the county against the land where the weed or plant pest control occurred and must be certified by the county auditor and entered on the auditor's tax books as a tax on the land. The amount must be collected as other real estate taxes are*

collected. The amount of the expenses when collected must be used to reimburse the county for its weed and plant pest control expenditure. [18.271 s. 3]

*Subd. 6. [CANNABIS SATIVA L.] Notwithstanding the provisions of subdivision 5 relating to procedures for payment of costs and expenses incurred, a county agricultural inspector may provide for the destruction of the plant Cannabis sativa L. at the expense of the county if strict compliance with subdivision 5 is considered impractical. [18.271 s. 3a]*

*Subd. 7. [COSTS AND EXPENSES.] (a) Notwithstanding the provisions of subdivision 5 relating to procedures for payment of costs and expenses incurred, if the local weed and plant pest inspector or the assistant weed and plant pest inspector of a city causes noxious weeds or plant pests to be eradicated or otherwise destroyed on property within the municipality under the authority of this section, the procedures in paragraphs (b) and (c) apply for costs and expenses thus incurred.*

*(b) Notice in writing of the work done and the costs and expenses involved must be served on the owner or occupant of the property in accordance with the individual notice provisions of subdivision 4. The notice must provide a tabulation of the total costs and expenses involved and indicate that if the total amount is not paid to the city within 30 days or before the following October 1, whichever is later, the costs and expenses become a lien in favor of the municipality and a penalty of eight percent must be added to the amount due as of that date, with the total costs, expenses, and penalty to be certified to the county auditor and entered on the auditor's tax books as a tax on the land.*

*(c) Amounts collected by the county auditor under this subdivision must be paid to the city to reimburse the municipality for the municipality's weed and plant pest control expenditures. [18.271 s. 4]*

#### Sec. 16. [18.871] [DESTRUCTION OF GROWING CROPS.]

*Subdivision 1. [INSPECTION AND NOTICE BY INSPECTOR.] (a) Notwithstanding subdivisions 1 to 3, the local weed and plant pest inspector or county agricultural inspector may eradicate or otherwise destroy the weeds or pests, and the crop on areas not exceeding three acres in the aggregate in any one field or crop of 40 acres or less, other than permanent pasture or meadow, without a notification or application to the mayor or a county commissioner.*

*(b) Except as provided in paragraph (a), if a local weed and plant pest inspector or county agricultural inspector determines it is necessary to eradicate or otherwise destroy a growing crop or a part of the crop to prevent the spread of noxious weeds or plant pests within the inspector's jurisdiction, the inspector shall notify the mayor of the municipality or a county commissioner to inspect the crop. The notice must be in writing on a form prescribed by the commissioner. [18.251]*

*Subd. 2. [INSPECTION AND DETERMINATION BY MAYOR OR COUNTY COMMISSIONER.] (a) If, after an inspection, the mayor or county commissioner determines that the weeds or plant pests and the crop or portion of the crop should be eradicated or otherwise destroyed, the eradicating or destroying must be performed immediately under the direction or by the authority of the local weed and plant pest inspector or under the direction of the county agricultural inspector.*

*(b) If the mayor or county commissioner determines after the inspection that the weeds or plant pests and the crop or a portion of the crop should not be eradicated or otherwise destroyed, the mayor or county commissioner shall report that determination to the commissioner.*

*(c) If, after being notified by the local weed and plant pest inspector or the county agricultural inspector to inspect a crop, the mayor or county commissioner fails to make the inspection and to report to the local weed and plant pest inspector or agricultural inspector within seven days after receiving a notice to inspect the crop, the local weed and plant pest inspector or county agricultural inspector may proceed to eradicate or otherwise destroy the weeds or plant pests and crop in the same manner as if the mayor or county commissioner notified had made an inspection and determined that the weeds or plant pests and crops should be eradicated or otherwise destroyed. [18.251]*

*Subd. 3. [DETERMINATION BY THE COMMISSIONER.] The commissioner shall make a final determination of whether the weeds or plant pests and the crop or portion of the crop should be eradicated or otherwise destroyed. If the commissioner determines that the weeds or plant pests and the crop or a portion of the crop should be eradicated or otherwise destroyed, the local weed and plant pest inspector or county agricultural inspector shall immediately cause the weeds or plant pests and the crop or portion of the crop to be eradicated or otherwise destroyed. [18.251]*

*Subd. 4. [ACTION FOR DAMAGES BARRED.] An action or claim for damages is not allowed or sustainable against anyone in respect to destruction or eradication of crops under this section. [18.251]*

**Sec. 17. [18.875] [REPORTS BY INSPECTORS.]**

*Local weed and plant pest inspectors and agricultural inspectors shall make reports as required by the commissioner. [18.261]*

**Sec. 18. [18.881] [INSPECTOR ENTRANCE UPON LAND NOT TRESPASS.]**

*A local weed and plant pest inspector, county agricultural inspector, the commissioner, or the commissioner's agents may enter any property without consent of the owner and without being subject to an action for trespass or damages in performance of duties under the weed and plant pest law. [18.241 s. 4]*

**FUNDING**

**Sec. 19. [18.885] [LOCAL FUNDING.]**

*Subdivision 1. [COUNTY FUNDING OF WEED AND PLANT PEST CONTROL.] (a) County boards shall provide funds and adequate equipment, materials, and labor for control, eradication, and other destruction of weeds and plant pests on county highways and property, and for assistance of county agricultural inspectors and local weed and plant pest inspectors in the county to inspect weed and plant pests and control and enforce the weed and plant pest law.*

*(b) Counties may cooperate with the state, towns, municipalities, and private property owners and provide county funds, equipment, materials, labor, and facilities for weed and plant pest inspection, control, and eradication with or without reimbursement from the public agency or private property benefited. [18.241 s. 3]*



*Subd. 2. [TOWN AND MUNICIPALITY FUNDING.] Towns and municipalities may by vote of their electors or governing boards provide funds, equipment, materials, and labor for weed and plant pest control and arrange for their use on public or private property within their jurisdiction with or without reimbursement from the public agency or property benefited. [18.241 s. 3]*

#### ENFORCEMENT

##### Sec. 20. [18.891] [COMMISSIONER'S DUTIES.]

*Subdivision 1. [IMPLEMENTATION AND ENFORCEMENT.] The commissioner shall implement and enforce the weed and plant pest control law. [18.181]*

*Subd. 2. [RULES.] The commissioner may adopt rules to implement the weed and plant pest control law. [18.181]*

*Subd. 3. [INVESTIGATION AND INSPECTION.] (a) The commissioner shall investigate noxious weeds and plant pests, and may require information from a county agricultural inspector, local weed and plant pest inspector, mayor, county commissioner, or county agent relative to the presence of noxious weeds or plant pests or other information about noxious weeds or plant pests and their control in the localities where the person resides or has jurisdiction. [18.181]*

*(b) The commissioner may enter or designate a person to enter property to take samples of weeds, weed seeds, grains, plants, plant pests, or other material needed for investigation of noxious weeds or plant pests. [18.181]*

*Subd. 4. [ERADICATION AND CONTROL INFORMATION.] (a) The commissioner shall suggest and formulate methods for the eradication and destruction of noxious weeds and plant pests from agricultural and other land in this state, including promotion of methods that minimize adverse environmental impact.*

*(b) The commissioner may publish and circulate bulletins, call and attend meetings and conventions, and conduct educational programs relating to noxious weeds and plant pests. [18.181]*

##### Sec. 21. [18.895] [NOXIOUS WEED QUARANTINES.]

*Subdivision 1. [COOPERATION WITH UNIVERSITY.] The commissioner shall cooperate with the dean of the institute of agriculture of the University of Minnesota in the study of life habits and eradication methods of noxious weeds and plant pests, including research and methods that minimize adverse environmental impact. [18.281]*

*Subd. 2. [PUBLICATION OF WEED AND PLANT PEST INFORMATION.] The commissioner shall publish information on life habits and eradication of noxious weeds and plant pests that minimize adverse environmental impact which will be in the public interest and of value to the agricultural communities of the state. [18.281]*

*Subd. 3. [QUARANTINE PERSONNEL AND EQUIPMENT.] The commissioner may employ personnel and purchase equipment and supplies necessary to implement this section. [18.281]*

*Subd. 4. [QUARANTINE OF WEED AND PLANT PEST INFESTED AREAS.] If the commissioner determines there is an infestation of noxious weeds or plant pests on a tract of land beyond the ability of the land*

occupant or owner to control, upon request of the owner or on the commissioner's own motion, the commissioner shall take action to prevent further spread of the weeds or plant pests. The commissioner may quarantine the portion of each infested tract of land and immediately take action to control the weeds and plant pests. [18.291]

*Subd. 5. [MUST GIVE WRITTEN NOTICE.] The commissioner, on entering a tract of land for weed or plant pest control or quarantine under subdivision 4, shall give written notice to the owner of the entry and quarantine, and shall also give the owner written notice of the completion of the control action. [18.301]*

*Subd. 6. [GENERAL ALLOCATION OF EXPENSES.] The expenses of a noxious weed quarantine and control action, including cost of chemicals and other materials used, except machinery and other equipment, must be paid from the fund provided for this purpose. The fund must be reimbursed for the expenses by January 1 of each year in the following amounts:*

*(1) 20 percent of the expenses by the county;*

*(2) 10 percent of the amount by the town where the land is quarantined and on which control actions are taken; and*

*(3) 10 percent of the expenses by the landowner. [18.311]*

*Subd. 7. [ALLOCATION OF EXPENSES FOR HIGHWAY CONTROL.] If the quarantine and control actions of the commissioner are located on the sides of public highways, 50 percent of the expenses of the control actions must be paid by the state from the fund provided for this purpose, and:*

*(1) 50 percent from the funds provided for the maintenance of the state transportation department, if the infestation is on a state highway;*

*(2) 50 percent by the county, if the infestation is on a county or state aid road; and*

*(3) 50 percent by the town, if the infestation is on a town road or cartway. [18.311]*

*Subd. 8. [ALLOCATION OF EXPENSES IN A MUNICIPALITY.] If the control actions of the commissioner are taken within the corporate limits of a municipality or on property used by a municipality, 50 percent of the expense of the control action must be paid by the state from the funds provided for this purpose and 50 percent by the municipality from its general revenue fund. [18.311]*

## PENALTIES

Sec. 22. [18.898] [CRIMINAL PENALTIES.]

*Subdivision 1. [MISDEMEANOR.] A person is guilty of a misdemeanor who:*

*(1) violates sections 2 to 21 or a rule of the commissioner;*

*(2) fails, refuses, or neglects to comply with a notice served on the person and issued by the commissioner or a local weed and plant pest inspector;*

*(3) fails, refuses, or neglects to perform a duty imposed by the noxious weed and plant pest law; [18.272]*

(4) enters property placed under quarantine by direction of the commissioner;

(5) interferes with the operation of machinery or other equipment used by the commissioner or authorized agents implementing section 21, subdivision 4; or [18.312]

(6) sells purple loosestrife, *Lythrum salicaria*. [18.182]

Subd. 2. [EXCLUSION FOR TOWN BOARD MEMBERS.] *The penalty under subdivision 1 for failure, refusal, or neglect to perform a duty imposed by the noxious weed and plant pest law does not apply to a member of a town board for failure, refusal, or neglect to perform a duty imposed on a member of a town board as an inspector.* [18.272]

### GRASSHOPPER CONTROL PROJECT

#### Sec. 23. [GRASSHOPPER CONTROL ZONES.]

*The commissioner of agriculture shall designate townships of counties that have had grasshopper surveys showing economic damage or potential economic damage as a grasshopper control zone where grasshoppers are a plant pest and control programs under sections 23 to 26 will be undertaken.*

#### Sec. 24. [GRASSHOPPER CONTROL PROGRAM.]

(a) *The commissioner of agriculture shall develop and implement a grasshopper control program to prevent crop damage in the grasshopper control zone. After consultation and cooperation with the state entomologist, the program must be developed to minimize adverse environmental impact, including the selection of pesticides and prescription of application rates.*

(b) *The grasshopper control program must utilize proven methods of grasshopper control and the commissioner may make grants for experimental methods of control in selected areas.*

#### Sec. 25. [COST-SHARE.]

Subdivision 1. [ELIGIBILITY.] *Private landowners are eligible for a 50 percent cost-share reimbursement for grasshopper control methods approved by the commissioner that are used on areas within the grasshopper control zone.*

Subd. 2. [INSPECTION.] *A county agricultural inspector or a local weed and plant pest inspector shall inspect the property where the grasshopper control is to occur and approve the control method to be used.*

Subd. 3. [REIMBURSEMENT.] (a) *An eligible private landowner may receive reimbursement for grasshopper control costs by presenting to the local weed and plant pest inspector:*

(1) *an inspection statement that the property was inspected prior to the control method being used; and*

(2) *approval by the local weed and plant pest inspector that an approved method was used.*

(b) *The local weed and plant pest inspector shall forward the reimbursement request to the county treasurer for payment.*

(c) *The county treasurer shall pay the reimbursement requests received from the local weed and plant pest inspectors.*

*Subd. 4. [PAYMENTS TO COUNTIES FOR COST-SHARE.] The commissioner of agriculture shall make payments to counties to pay for the cost-share payments under subdivision 3. The commissioner shall make funds available in advance based on anticipated need to allow reimbursement payments to be made as quickly as possible.*

*Subd. 5. [ADMINISTRATION.] (a) The commissioner of agriculture shall adopt procedures, guidelines, and forms to implement the grasshopper control cost-share program under this section. The procedures, guidelines, and forms may be adopted notwithstanding chapter 14, except section 14.38, subdivisions 7 and 8, must be complied with.*

*(b) The commissioner of agriculture may require accounting procedures and reports to implement the program.*

**Sec. 26. [EXPERIMENTAL GRASSHOPPER CONTROL.]**

*Subdivision 1. [AUTHORIZATION.] The commissioner of agriculture may designate certain areas or types of controls for an experimental control program for methods that are not commonly used in the state or have not been proven to be effective.*

*Subd. 2. [ELIGIBLE PARTICIPANTS.] Public and private entities willing to participate in the experimental grasshopper control program may not be required to pay more than 20 percent of the cost of the experimental control methods on property they are responsible for controlling.*

*Subd. 3. [ADMINISTRATION.] The commissioner shall develop the experimental grasshopper control program and may adopt rules, guidelines, and procedures notwithstanding chapter 14 to implement the program, except the commissioner must comply with section 14.38, subdivisions 7 and 8.*

Sec. 27. Minnesota Statutes 1988, section 84.0895, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] (a) Subdivision 1 does not apply to:

(1) plants on land classified for property tax purposes as class 2a or 2c agricultural land under section 273.13, or on ditches and roadways; and

(2) noxious weeds designated pursuant to ~~sections 18.171 to 18.315~~ section 3, subdivision 6, or to weeds otherwise designated as troublesome by the department of agriculture.

(b) If control of noxious weeds is necessary, it takes priority over the protection of endangered plant species, as long as a reasonable effort is taken to preserve the endangered plant species first.

(c) The taking or killing of an endangered plant species on land adjacent to class 3 or 3b agricultural land as a result of the application of pesticides or other agricultural chemical on the class 3 or 3b land is not a violation of subdivision 1, if reasonable care is taken in the application of the pesticide or other chemical to avoid impact on adjacent lands. For the purpose of this paragraph, class 3 or 3b agricultural land does not include timber land, waste land, or other land for which the owner receives a state paid wetlands or native prairie tax credit.

(d) The accidental taking of an endangered plant, where the existence of the plant is not known at the time of the taking, is not a violation of subdivision 1.

Sec. 28. Minnesota Statutes 1988, section 160.02, subdivision 14, is amended to read:

Subd. 14. [NOXIOUS WEEDS.] "Noxious weeds" has the meaning given in section ~~18.171~~ 3, subdivision 5 6.

Sec. 29. [APPROPRIATION.]

*\$ . . . . . is appropriated from the general fund to the commissioner of agriculture for grasshopper control under sections 23 to 26 to be available until June 30, 1991. Of this amount, not more than \$ . . . . . may be used for experimental grasshopper control under section 26.*

Sec. 30. [REPEALER.]

*Subdivision 1. [GRASSHOPPER CONTROL PROGRAM.] Sections 23 to 26 are repealed June 30, 1991.*

*Subd. 2. [1905 GRASSHOPPER PROVISIONS.] Revised Laws of Minnesota 1905, sections 2385, 2386, 2387, 2388, 2389, and 2390, are repealed.*

*Subd. 3. [WEED LAWS.] Minnesota Statutes 1988, sections 18.171; 18.181; 18.182; 18.191; 18.201; 18.211; 18.221; 18.231; 18.241; 18.251; 18.261; 18.271; 18.272; 18.281; 18.291; 18.301; 18.311; 18.312; and 18.315, are repealed.*

*Subd. 4. [MINNESOTA RULES.] Minnesota Rules, parts 1505.0740 and 1505.0750, are repealed.*

Sec. 31. [EFFECTIVE DATE.]

*This act is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 13, before the period, insert "; and Minnesota Rules, parts 1505.0740 and 1505.0750"

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. 29 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.
29	53				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 29 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 29 and insert the language after the enacting clause of S.F. No. 53, the first engrossment; further, delete the title of H.F. No. 29 and insert the title of S.F. No. 53, the first engrossment.

And when so amended H.F. No. 29 will be identical to S.F. No. 53, and further recommends that H.F. No. 29 be given its second reading and substituted for S.F. No. 53, 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. Lessard from the Committee on Environment and Natural Resources, to which were referred the following appointments as reported in the Journal for January 9, 1989:

**MINNESOTA POLLUTION CONTROL AGENCY  
COMMISSIONER**

Gerald L. Willet

**MINNESOTA POLLUTION CONTROL AGENCY**

Marcia Gelpé

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 and Military Affairs, to which were referred the following appointments as reported in the Journal for January 26, 1989:

**MINNESOTA VETERANS HOMES BOARD OF DIRECTORS**

Harvey Charles Aaron, M.D.

Pamela K. Barrows

Daniel Bolhouse

Robert E. Hansen

Stephen J. O'Connor

Michas Ohnstad

Robert W. Reif, M.D.

James G. Sieben

Emily Spensieri

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. 204, 169, 115, 191, 286, 363, 117, 123, 206 and 121 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 113 and 29 were read the second time.

**MOTIONS AND RESOLUTIONS**

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

Ms. Berglin moved that the name of Mr. Benson be added as a co-author to S.F. No. 91. The motion prevailed.

Mr. Bertram moved that the name of Mrs. Pariseau be added as a co-author to S.F. No. 115. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Lessard and Vickerman be added as co-authors to S.F. No. 191. The motion prevailed.

Mr. Benson moved that the names of Messrs. Davis and DeCramer be added as co-authors to S.F. No. 239. The motion prevailed.

Mr. Bertram moved that his name be stricken as chief author, shown as co-author, and the name of Mr. Vickerman be added as chief author to S.F. No. 286. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Lessard be added as a co-author to S.F. No. 286. The motion prevailed.

Mr. Berg moved that the names of Messrs. Frederickson, D.R.; Renneke; Frederickson, D.J. and Larson be added as co-authors to S.F. No. 319. The motion prevailed.

Mr. Dahl moved that the name of Mr. Knaak be added as a co-author to S.F. No. 415. The motion prevailed.

Mr. Beckman moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 416. The motion prevailed.

Mr. Renneke moved that the name of Mr. Freeman be added as a co-author to S.F. No. 421. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Peterson, R.W. be added as a co-author to S.F. No. 470. The motion prevailed.

### **CONSENT CALENDAR**

S.F. No. 173: A resolution memorializing the President and Congress of the United States to prevent the imposition of any additional federal excise tax on motor fuel in order to reduce the federal deficit.

Pursuant to Rule 9, there being three objectors, S.F. No. 173 was stricken from the Consent Calendar and placed at the bottom of General Orders.

### **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. 171 and 300, 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.

Mrs. Lantry, Mr. Solon, Ms. Berglin, Messrs. Samuelson and Johnson, D.E. introduced—

S.F. No. 497: A bill for an act relating to human services; establishing a resource center on caregiver support; creating a grant program of respite care services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Belanger and Freeman introduced—

S.F. No. 498: A bill for an act relating to retirement; Bloomington firefighters relief association; providing for duty related disability and death benefits; amending Laws 1965, chapter 446, sections 2 and 3.

Referred to the Committee on Governmental Operations.

Messrs. Vickerman, Purfeerst, Beckman and Lessard introduced—

S.F. No. 499: A bill for an act relating to transportation; specifying that state airports fund money may be used as state's match of costs of the federal essential air services program; establishing registration classification for recreational aircraft; amending Minnesota Statutes 1988, sections 360.305, subdivision 2; and 360.55, by adding a subdivision.

Referred to the Committee on Transportation.

Mrs. Brataas, Messrs. Benson and Schmitz introduced—

S.F. No. 500: A bill for an act relating to Olmsted county; exempting the county from operation of a public morgue.

Referred to the Committee on Local and Urban Government.

Messrs. Benson and Merriam introduced—

S.F. No. 501: A bill for an act relating to the legislature; requiring the legislature to conform to the standards of the open meeting law; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Ms. Berglin, Mrs. Lantry, Messrs. Solon, Pogemiller and Kroening introduced—

S.F. No. 502: A bill for an act relating to economic development; establishing a targeted neighborhood revitalization and financing program; appropriating money; amending Minnesota Statutes 1988, sections 282.01, subdivision 1; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 580.031; and 580.23, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Laws 1987, chapter 384, article 3, section 22; and chapter 386, article 6, sections 4 to 11.

Referred to the Committee on Economic Development and Housing.



Mr. Solon, Ms. Berglin, Mr. Spear and Mrs. Lantry introduced—

S.F. No. 503: A bill for an act relating to community development; providing for a community resources program for cities of the first class; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 466A.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Diessner and Brandl introduced—

S.F. No. 504: A bill for an act relating to human services; authorizing the commissioner to establish case management for people with brain injuries; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1988, section 256B.0625, subdivision 21.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 505: A bill for an act relating to workers' compensation; establishing a legal assistance fund; appropriating money; amending Minnesota Statutes 1988, section 176.261.

Referred to the Committee on Employment.

Mr. Purfeerst, Mrs. Lantry, Messrs. Johnson, D.E.; Spear and Vickerman introduced—

S.F. No. 506: A bill for an act relating to charitable gambling; providing for its licensing and auditing; transferring certain powers and duties to the commissioner of revenue; specifying tax return and payment dates; providing for payment of interest; increasing fees; imposing penalties; amending Minnesota Statutes 1988, sections 349.11; 349.12, subdivisions 2, 3, 11, 12, 13, 15, 17, 20, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.16, subdivision 4; 349.161, subdivisions 3, 4, 5, 7, and 8; 349.162, subdivisions 1, 2, 3, 4, and 5; 349.163, and by adding a subdivision; 349.164, subdivisions 1, 2, 3, 5, and 6; 349.17, subdivisions 2a and 4; 349.18, subdivisions 1, 2, and by adding a subdivision; 349.19, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding subdivisions; 349.20; 349.21; 349.212, subdivision 4, and by adding subdivisions; 349.2121, subdivisions 2 and 3; 349.2122; 349.2125, subdivisions 1 and 2; 349.2127, subdivision 2, and by adding subdivisions; 349.213, subdivision 2; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1988, sections 349.151, subdivision 5; 349.171; 349.212, subdivision 2; and 349.2121, subdivision 6.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Fredrickson, D.J.; Beckman; DeCramer and Davis introduced—

S.F. No. 507: A bill for an act relating to public improvements; providing that work done on certain public works or improvements is not subject to certain licensing requirements; amending Minnesota Statutes 1988, section 326.03, subdivision 2.

Referred to the Committee on Commerce.

Messrs. Fredrickson, D.J. and Davis introduced—

S.F. No. 508: A bill for an act relating to agriculture; extending the farmer-lender mediation act and related provisions; amending Minnesota Statutes 1988, sections 47.20, subdivision 15; and 580.031; Laws 1983, chapter 215, section 16, as amended; and Laws 1986, chapter 398, article 1, section 18, as amended.

Referred to the Committee on Agriculture and Rural Development.

Mr. Peterson, R.W. introduced—

S.F. No. 509: A bill for an act relating to education; clarifying the procedure for the issuance of certain certificates of indebtedness or capital notes; amending Minnesota Statutes 1988, section 124.2445.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 510: A bill for an act relating to employment; providing for severance pay and insurance coverage to certain terminated employees; requiring employers to provide advance notice of certain actions related to plant closings and mass layoffs; appropriating money; amending Minnesota Statutes 1988, section 268.07, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 268A.

Referred to the Committee on Employment.

Messrs. Berg and Chmielewski introduced—

S.F. No. 511: A bill for an act relating to workers' compensation; expanding the family farm exclusion from workers' compensation coverage; amending Minnesota Statutes 1988, section 176.011, subdivision 11a.

Referred to the Committee on Employment.

Messrs. Purfeerst, Langseth, Schmitz, Mrs. McQuaid and Mr. Mehrkens introduced—

S.F. No. 512: A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; amending Minnesota Statutes 1988, section 169.81, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Frederick, Vickerman, Mrs. Pariseau, Messrs. McGowan and Bertram introduced—

S.F. No. 513: A bill for an act relating to veterans; changing the amount of state cash bonus payments to certain members of the Minnesota national guard; appropriating money; amending Laws 1988, chapter 686, article 1, section 21.

Referred to the Committee on Veterans and Military Affairs.

Mr. McGowan, Ms. Peterson, D.C. and Mr. Ramstad introduced—

S.F. No. 514: A bill for an act relating to crimes; requiring the bureau of criminal apprehension to develop uniform procedures for the collection

and preservation of DNA identification evidence; providing for the admissibility of such evidence; appropriating money for the development of a DNA fingerprinting laboratory; proposing coding for new law in Minnesota Statutes, chapters 299C, 609, and 634.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Novak; Pehler; Frederickson, D.J. and Knaak introduced—

S.F. No. 515: A bill for an act relating to education; requiring the state board of education to adopt a rule on preparation time for teachers.

Referred to the Committee on Education.

Ms. Reichgott introduced—

S.F. No. 516: A bill for an act relating to corporations; applying the control share acquisition and business combination provisions of state law to certain public corporations; amending Minnesota Statutes 1988, sections 302A.671, subdivision 1; and 302A.673, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Freeman, Pehler, DeCramer, Mrs. Brataas and Mr. Dahl introduced—

S.F. No. 517: A bill for an act relating to education; appropriating money to the higher education coordinating board for a community service grant program for postsecondary institutions.

Referred to the Committee on Education.

Messrs. Purfeerst; Frederickson, D.R.; Schmitz; Mrs. Adkins and Mr. Mehrkens introduced—

S.F. No. 518: A bill for an act relating to transportation; granting power to road authorities to mow or till rights-of-way of certain highways; amending Minnesota Statutes 1988, sections 160.232; and 160.27, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Messrs. Frederick; Renneke; Johnson, D.E.; Mehrkens and Benson introduced—

S.F. No. 519: A bill for an act relating to the legislature; requiring the legislature to conform to the standards of the open meeting law; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Messrs. Belanger and McGowan introduced—

S.F. No. 520: A bill for an act relating to food; authorizing donation of certain food; limiting liability of food donors; proposing coding for new law in Minnesota Statutes, chapter 31.

Referred to the Committee on Commerce.

Messrs. Bertram, Metzen, Solon, Belanger and Mrs. McQuaid introduced—

S.F. No. 521: A bill for an act relating to occupations and professions; providing for a uniform electrical violation ticket; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Commerce.

Messrs. Pogemiller; Moe, R.D.; Frank; Morse and Bernhagen introduced—

S.F. No. 522: A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing housing courts, rent escrow systems, and building repair fines as demonstration projects in Hennepin and Ramsey counties; reducing property taxes on certain types of residential rental property; authorizing a tax levy for public housing; establishing a fair housing education and public information program; requiring housing impact statements; revising certain housing receivership provisions; changing notice and redemption provisions for certain types of properties; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 273.13, subdivision 25; 462A.05, subdivision 27, and by adding subdivisions; 462A.201, subdivision 5; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 463.21; 469.012, subdivision 1; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 580.031; and 580.23, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 256; 462C; 471; 504; and 566.

Referred to the Committee on Economic Development and Housing.

Messrs. Knaak, McGowan, Laidig, Benson and Mrs. Pariseau introduced—

S.F. No. 523: A bill for an act relating to the legislature; requiring the legislature to conform to the standards of the open meeting law; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

S.F. No. 524: A bill for an act relating to health; creating exceptions to the nursing home moratorium; amending Minnesota Statutes 1988, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Ms. Reichgott, Messrs. Spear, Merriam, Knaak and Luther introduced—

S.F. No. 525: A bill for an act relating to nonprofit corporations; providing for the organization, operation, and dissolution of nonprofit corporations; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 8.31, subdivision 1; 79A.09, subdivision 1; 257.03; 309.67;

319A.20; 354A.021, subdivision 2; and 469.144, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 317A; repealing Minnesota Statutes 1988, sections 317.01 to 317.69.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Frank and Beckman introduced—

S.F. No. 526: A bill for an act relating to housing; establishing a home equity conversion loan counseling program for senior homeowners; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Messrs. Purfeerst, Merriam, Ms. Berglin, Messrs. Samuelson, and Johnson, D.E. introduced—

S.F. No. 527: A bill for an act relating to gambling; requiring the commissioner of human services to establish a program for compulsive gambling; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Storm, Decker, McGowan and Anderson introduced—

S.F. No. 528: A bill for an act relating to the legislature; requiring the legislature to conform to the standards of the open meeting law; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Messrs. Johnson, D.E.; DeCramer; Berg; Frederickson, D.J. and Anderson introduced—

S.F. No. 529: A bill for an act relating to education; appropriating money to the regents of the University of Minnesota for operating expenses at the Herman Rosholt research farm.

Referred to the Committee on Finance.

Messrs. Merriam, Dahl, Davis, Pehler and Mrs. McQuaid introduced—

S.F. No. 530: A bill for an act relating to waste management; defining "waste reduction"; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substances compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed

waste in the metropolitan area; extending the date until which metal finishers are not liable for payment of hazardous waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, and 7, and by adding four subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4 and by adding a subdivision; 446.04, subdivision 1; 473.149, subdivisions 2d and 2e; 473.803, by adding a subdivision 1a; 473.845, subdivision 2; and 473.848; amending Laws 1987, chapter 348, section 50; proposing coding for new law in chapter 115A; repealing Minnesota Statutes 1988, sections 115A.98 and 115B.29, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mses. Berglin, Piper, Messrs. Solon, Samuelson and Benson introduced—

S.F. No. 531: A bill for an act relating to jobs and training; creating a community conversion incentive grant program to fund projects to secure employment for persons with severe disabilities; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Morse; Frederickson, D.J.; Merriam and Laidig introduced—

S.F. No. 532: 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 1988, section 5.03.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Beckman introduced—

S.F. No. 533: A bill for an act relating to education; appropriating money for a communications link between Blue Earth and Mankato.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 534: A bill for an act relating to traffic regulations; authorizing recreational vehicle combinations and restricting their use; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; and 169.81, subdivision 3, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Luther and Bernhagen introduced—

S.F. No. 535: A bill for an act relating to real property; abolishing certain residual marital interests in real property; providing for 40-year limitation on action based on an option to repurchase or other restrictions on a surface estate; providing for certain certifications; amending Minnesota Statutes 1988, sections 541.023, subdivision 6; and 548.181; proposing coding for new law in Minnesota Statutes, chapter 519.

Referred to the Committee on Judiciary.

Messrs. Solon; Luther; Moe, R.D.; Dicklich and Metzen introduced—

S.F. No. 536: A bill for an act relating to consumer protection; providing for enhanced civil penalties for deceptive acts targeted at senior citizens or vulnerable adults; providing factors a court may consider in determining to impose an enhanced civil penalty; providing that sums collected must be credited to the account of the state board on aging; amending Minnesota Statutes 1988, section 256.975, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Health and Human Services.

Ms. Reichgott, Messrs. Beckman, Pehler, DeCramer and Ms. Olson introduced—

S.F. No. 537: A bill for an act relating to education; providing local school districts, education districts, and educational cooperative service units with competitive grants to modify curriculum-based services for gifted and talented students; appropriating money.

Referred to the Committee on Education.

Mr. Benson introduced—

S.F. No. 538: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, sections 2 and 3; providing for a legislature with a total of 120 to 168 members.

Referred to the Committee on Elections and Ethics.

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

S.F. No. 539: A bill for an act relating to state parks; promoting the 100th anniversary of the state park system; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mrs. McQuaid introduced—

S.F. No. 540: A bill for an act relating to taxation; property; extending the homestead and agricultural credit to taxes payable after 1989; abolishing transition aid, disparity aid, and other aids and credits; repealing increases in income maintenance payments; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2131, subdivision 3; 124.2139; 124A.02, subdivision 3a; 256.01, subdivision 2; 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.091, subdivision 8; 256B.15; 256B.19, subdivisions 1 and 2; 256D.03, subdivisions 2 and 6; 256D.04; 256D.36, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 22 and 23; 273.132, subdivisions 1, 2, and 5; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.165, subdivision 2; 275.065, subdivision 2; 275.07, subdivision 1; 275.08, subdivisions 1a and 1b; 275.50, subdivision 5; 275.51, subdivisions 3f and 3h; 276.04, subdivision 2; 290A.04, subdivision 2; 393.07, subdivisions 2 and 10;

473.446, subdivision 1; 473F02, subdivision 23; 473F05; 473F06; 473F07, subdivisions 1, 4, and 5; 473F08, subdivisions 1, 2, 3a, 4, 5, 6, and 10; 473F10; 477A.011, subdivisions 15, 20, and 21; and 477A.013, subdivision 3; Laws 1988, chapter 719, article 5, sections 81 and 84; repealing Minnesota Statutes 1988, sections 256.017; 256.018; 256.019; 273.13, subdivision 21a; 273.135, subdivision 2a; 273.1391, subdivision 2a; 273.1398; 275.07, subdivision 3; 275.08, subdivision 1c; 290A.04, subdivision 2b; and Laws 1988, chapter 719, article 8, sections 32, 33, 34, 35, and 36.

Referred to the Committee on Taxes and Tax Laws.

Mr. Larson introduced—

S.F. No. 541: A bill for an act relating to veterans; authorizing establishment of a veterans home in the city of Fergus Falls; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Davis, Langseth, Morse, Mrs. Adkins and Mr. Frederickson, D.R. introduced—

S.F. No. 542: A bill for an act relating to agriculture; changing the agricultural land preservation law; amending Minnesota Statutes 1988, sections 40A.02, subdivision 10; 40A.04, subdivision 1; 40A.10; 40A.11, subdivision 4; 40A.17; and 273.119; proposing coding for new law in Minnesota Statutes, chapter 40A; repealing Minnesota Statutes 1988, section 40A.123, subdivision 3.

Referred to the Committee on Agriculture and Rural Development.

Mr. Berg introduced—

S.F. No. 543: A bill for an act relating to game and fish; authorizing taking of two deer; specifying methods for taking; amending Minnesota Statutes, 1988, section 97B.301, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Mr. Berg introduced—

S.F. No. 544: A bill for an act relating to game and fish; authorizing taking of two deer under specified conditions; amending Minnesota Statutes 1988, section 97B.301, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Mr. Moe, D.M. introduced—

S.F. No. 545: A bill for an act relating to state government; implementing reorganization orders concerning the charitable gambling control board and the waste management board; amending Minnesota Statutes, sections 15A.081, subdivision 1; 41A.066, subdivision 1; 43A.08, subdivision 1a; 115A.03, subdivision 3, and by adding a subdivision; 115A.06; 115A.07; 115A.072; 115A.075; 115A.08; 115A.09; 115A.10; 115A.11; 115A.12, subdivision 1; 115A.14, subdivision 4; 115A.152, subdivisions 1 and 3; 115A.154, subdivision 1; 115A.156; 115A.158; 115A.159; 115A.162; 115A.165; 115A.191, subdivisions 1 and 2; 115A.22, subdivisions 4 and



5; 115A.34; 115A.411, subdivision 1; 115A.42; 115A.45; 115A.46, subdivision 1; 115A.48; 115A.49; 115A.51; 115A.52; 115A.53; 115A.54, subdivisions 2, 2a, and 3; 115A.541; 115A.57, subdivision 2; 115A.58, subdivisions 1 and 2; 115A.59; 115A.63; 115A.64; 115A.66; 115A.67; 115A.68; 115A.71, subdivision 1; 115A.72; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.90, subdivision 2; 115A.902, subdivisions 1 and 3; 115A.906; 115A.912; 115A.913; 115A.914; 115A.9162; 115A.917; 115A.97, subdivisions 5 and 6; 115A.98, subdivision 3; 116.07, subdivision 4b; 116.101; 116C.03, subdivision 2; 216C.36, subdivision 8a; 349.12, by adding a subdivision; 349.151, subdivisions 4 and 4a; 349.161, subdivisions 7 and 8; 349.162, subdivisions 1, 2, and 4; 349.163, subdivision 1; 349.164, subdivision 5; 349.17, subdivision 4; 349.18, subdivisions 1 and 2; 349.19, subdivisions 1, 4, 5, 6, and 7; 349.20; 473.149, subdivision 4; 473.811, subdivision 7; 477A.012, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 349; repealing Minnesota Statutes 1988, sections 115A.04; 115A.05; 115A.06, subdivision 14; and 349.151, subdivision 5.

Referred to the Committee on Governmental Operations.

Messrs. Davis and Chmielewski introduced—

S.F. No. 546: A bill for an act relating to the city of Mora; authorizing the city to negotiate certain contracts.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 547: A bill for an act relating to agriculture; appropriating money for farm and small business management programs at technical institutes.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Freeman; Marty; Frederickson, D.R. and Pogemiller introduced—

S.F. No. 548: A bill for an act relating to economic development; permitting state agencies and local jurisdictions to invest in a working capital fund; amending Minnesota Statutes 1988, section 137.31, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16B, 161, 471, and 473.

Referred to the Committee on Governmental Operations.

Mr. Pehler introduced—

S.F. No. 549: A bill for an act relating to human services; creating an exclusion to the human services licensing act; amending Minnesota Statutes 1988, section 245A.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Pehler introduced—

S.F. No. 550: A bill for an act relating to human services; providing that nursing home reimbursement rates for cities of the second class shall equal the rate for the metropolitan area; amending Minnesota Statutes 1988,

section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

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

S.F. No. 551: A bill for an act relating to education; providing revenue for school districts to operate a youth service program; providing post-secondary educational benefits for students participating in youth service programs; appropriating money; amending Minnesota Statutes 1988, section 121.88, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; and 136A.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 552: A bill for an act relating to volunteers; providing benefits to certain volunteers injured or killed while performing public service; amending Minnesota Statutes 1988, sections 176.011, subdivision 9; and 176B.01, subdivision 2.

Referred to the Committee on Employment.

Ms. Peterson, D.C. introduced—

S.F. No. 553: A bill for an act relating to elections; changing or clarifying provisions governing absentee voting, mail elections, election day activities, ballots, canvassing, municipal elections, school district elections, voting systems, election contests, and financial reporting; amending Minnesota Statutes 1988, sections 204B.27, by adding a subdivision; 204B.40; 204B.46; 204C.06, subdivision 1; 204C.31, by adding a subdivision; 204C.36; 204C.361; 204D.08, subdivision 1; 204D.23, by adding a subdivision; 204D.27, subdivision 9; 205.16, by adding a subdivision; 205A.07, by adding a subdivision; 206.57, subdivision 1; 206.66; 206.90, subdivision 3; 209.021, subdivision 1; 211A.02, subdivision 1; 211A.05, subdivision 1; and 211B.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 202A; 203B; and 206.

Referred to the Committee on Elections and Ethics.

Ms. Peterson, D.C.; Messrs. Ramstad, Pehler, Beckman and Ms. Reichgott introduced—

S.F. No. 554: A bill for an act relating to education; providing schools with competitive grants to reform the learning environment; appropriating money.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 555: A bill for an act relating to crimes; removing the limitation period for charging sexual criminal conduct offenses if the victim is a child; amending Minnesota Statutes 1988, section 628.26.

Referred to the Committee on Judiciary.

Messrs. Ramstad; Moe, R.D.; Pogemiller and Hughes introduced—

S.F. No. 556: A bill for an act relating to elections; providing for handicap access to precinct caucuses and party conventions; providing for sign interpreters at precinct caucuses and party conventions; amending Minnesota Statutes 1988, sections 202A.13; and 202A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 202A.

Referred to the Committee on Elections and Ethics.

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

S.F. No. 557: A bill for an act relating to education; requiring a pupil to stay in a school for one year under open enrollment; amending Minnesota Statutes 1988, section 123.3515.

Referred to the Committee on Education.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 16, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTEENTH DAY

St. Paul, Minnesota, Thursday, February 16, 1989

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

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

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

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Johnson, D.J.	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	Pariseau	Taylor
Brandl	Frederickson, D.R.	Lessard	Pehler	Vickerman
Brataas	Freeman	Marty	Peterson, D.C.	Waldorf
Chmielewski	Gustafson	McGowan	Peterson, R.W.	
Cohen	Hughes	McQuaid	Piper	

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. Pogemiller 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 30, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

William Heaney, 414 Nicollet Mall, Minneapolis, Hennepin County, has been appointed by me, effective January 30, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Elections and Ethics.)

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 File, herewith transmitted: H.F. No. 68.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 13, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 68: A bill for an act relating to taxation; making technical corrections to the property taxation of unmined iron ore; making technical corrections and clarifications to the corporate franchise tax; retroactively providing a corporate franchise tax modification for mining income or gains; clarifying the computation of mining occupation taxes; exempting S corporations from business activity report filing requirements; repealing an obsolete reference; amending Minnesota Statutes 1988, sections 273.1104, subdivision 2; 290.01, subdivision 19d; 290.015, subdivisions 2, 3, and 4; 290.092, subdivisions 2 and 4a; 290.191, subdivisions 6 and 11; 290.371; 298.01, subdivisions 3 and 4, and by adding subdivisions; and Laws 1988, chapter 719, article 2, section 57; repealing Minnesota Statutes 1988, section 52.22.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 61.

### REPORTS OF COMMITTEES

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 351: A bill for an act relating to horse racing; allowing certain money in the breeders fund to be expended for equine promotion; amending Minnesota Statutes 1988, section 240.18.

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

Page 1, line 20, before the period, insert "*of the horse breeding industry*"

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. 400: A bill for an act relating to horse racing; regulating the medication of horses; amending Minnesota Statutes 1988, section 240.24, subdivision 2.

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

Page 1, delete lines 12 to 14 and insert "agents if the agents are administered under the visual supervision of the veterinarian or ~~assistant~~ *the designee of the* veterinarian employed by the commission; and (4) nonsteroidal"

Page 1, line 23, strike "The commission" and delete "may" and strike "adopt emergency rules to implement"

Page 1, strike line 24

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 were referred for proper reference under Rule 35:

S.F. Nos. 166, 231 and 243 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 166 to the Committee on Taxes and Tax Laws.

S.F. No. 231 to the Committee on Finance.

S.F. No. 243 to the Committee on Employment.

Report adopted.

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

S.F. No. 232: A bill for an act relating to corporations; providing for the simplification of certain filings made with the office of the secretary of state; changing the recipients of certain notices; modifying the definition of address to include zip codes; appropriating money; amending Minnesota Statutes 1988, sections 302A.011, subdivision 3; 302A.123, subdivision 1; 302A.821, subdivision 1; 303.02, subdivision 5; 303.10, subdivision 2; 303.13, subdivision 2; 303.14, subdivision 1; and 303.17, subdivision 4; 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 1, after line 13, insert:

"Section 1. [5.17] [SUBSTANTIAL COMPLIANCE.]

*The secretary of state may accept a filing if the information on the filing is in substantial compliance with the applicable law, even if information on the filing is not identical to equivalent information in the records of the secretary of state.*

Sec. 2. [5.18] [SUPPLEMENTAL FILING AND INFORMATION SERVICES.]

*(a) The secretary of state may offer services to the public that supplement filing and information services already authorized by law. The secretary of state may discontinue the supplemental services at any time. The services must be designed to provide the public with a benefit by improving the manner of providing, or by providing an alternative manner of payment for, existing services provided by the secretary of state.*

*(b) The cost of providing the supplemental services to the public, as determined by the secretary of state, must be recovered from the recipients of the services. The funds collected for the services must be deposited in the uniform commercial code account and are continuously available to the secretary of state for payment of the cost of providing the supplemental services."*

Page 2, line 29, strike "and"

Page 2, line 32, before the period, insert "; and"

*(g) The signature of a person authorized to sign the registration on behalf of the corporation"*

Page 3, line 4, delete "shall" and insert "may"

Page 5, delete section 9

Page 5, delete lines 17 to 33 and insert:

"Sec. 11. [REPORT ON SUPPLEMENTAL SERVICES.]"

Page 5, line 34, delete "(c)"

Page 5, line 36, delete "this" and after "section" insert "2"

Page 6, line 5, delete "2, 3, 5, 6, and 9" and insert "1, 4, 5, 7, and 8"

Page 6, line 6, delete "10" and insert "2"

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

S.F. No. 215: A bill for an act relating to notaries public; increasing the period of time during which reappointments may be made; amending Minnesota Statutes 1988, section 359.02.

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. 294: A bill for an act relating to animals; clarifying the liability for certain damages; increasing a penalty; amending Minnesota Statutes 1988, section 346.56.

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 1988, section 346.56, subdivision 2, is

amended to read:

Subd. 2. [LIABILITY FOR DAMAGES.] A person who without permission releases an animal lawfully confined for science, research, commerce, or education is liable: (1) to the owner of the animal for damages ~~and~~, including the costs of restoring the animal to confinement and to good health; and (2) for damage to personal and real property caused by the released animal. If the release causes the failure of an experiment, the person is liable for all costs of repeating the experiment, including replacement of the animals, labor, and materials.

Sec. 2. [609.552] [UNAUTHORIZED RELEASE OF ANIMALS.]

*A person who intentionally and without permission releases an animal lawfully confined for science, research, commerce, or education is guilty of a misdemeanor. A second or subsequent offense by the same person is a gross misdemeanor.*

Sec. 3. [REPEALER.]

*Minnesota Statutes 1988, section 346.56, subdivision 1, is repealed.*

Sec. 4. [EFFECTIVE DATE.]

*Sections 2 and 3 are effective August 1, 1989, and apply to crimes committed on or after that date."*

Delete the title and insert:

"A bill for an act relating to animals; providing civil and criminal penalties for the unauthorized release of research animals; amending Minnesota Statutes 1988, section 346.56, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 346.56, 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. 163: A bill for an act relating to traffic regulations; regulating U-turns; providing for color and equipment requirements on school buses carrying ten or more persons; requiring flashing amber light of school bus to be activated at least 300 feet before stopping to load or unload school children; providing for bumper requirements on private passenger vehicles and rear-end protection for other vehicles; amending Minnesota Statutes 1988, sections 169.19, subdivision 2; 169.44, subdivisions 1a and 2; and 169.73.

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

Pages 2 and 3, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1988, section 169.44, subdivision 2, is amended to read:

Subd. 2. [LOADING AND UNLOADING PASSENGERS; USE OF SIGNALS.] (a) ~~Drivers~~ A driver of a vehicle outwardly equipped and identified as a school bus shall actuate the prewarning flashing amber signals of the bus before stopping to load or unload a school child or children. *The driver shall actuate the flashing amber signals at least 100 feet before stopping*



*in a speed zone of 35 miles per hour or less and at least 300 feet when operating outside an incorporated municipality and at least 100 feet when operating within an incorporated municipality and, before stopping in a speed zone of more than 35 miles per hour. Upon stopping for such this purpose, such drivers the driver shall extend the stop signal arm and actuate the flashing red signals and shall not retract the stop signal arm and extinguish the flashing red signals until loading or unloading is completed and persons who must cross the street or highway are safely across.*

(b) School bus drivers shall not actuate the prewarning flashing amber signals or flashing red signals:

(1) in special school bus loading areas where the bus is entirely off the traveled portion of the road;

(2) in residence or business districts of cities except when directed by the local school administrator;

(3) when a school bus is being used on a highway for purposes other than the actual transportation of school children to or from school or a school approved activity, in which event the words "school bus" on the front and rear of the bus shall be removed or completely concealed;

(4) at railroad grade crossings; and

(5) when loading and unloading persons while the bus is completely off the traveled portion of a separated, one-way roadway that has adequate shoulders. The driver shall drive the bus completely off the traveled portion of a separated, one-way roadway with adequate shoulders before loading or unloading persons.

(c) Where school children must cross the road before boarding or after being discharged from the bus, the driver of a school bus or a school bus patrol may supervise such crossings making use of the standard school patrol flag or signal as approved and prescribed by the commissioner of public safety. When children are alighting from a school bus, the driver shall visually ascertain that alighting children shall be a safe distance from the bus before moving the bus.

(d) Vehicles not outwardly equipped and identified as school buses shall load or unload school children only from the right-hand side of the vehicle, except on a one-way street such vehicle shall load or unload school children only from the curb side of the vehicle."

Page 3, line 31, after "automobile" reinstate the stricken "as"

Page 3, line 33, strike "a station wagon" and delete "defined in"

Page 3, line 34, delete "section 168.011, subdivision 23;" and after "van" insert "as"

Page 3, line 35, after "truck" insert "as"

Page 4, line 4, after "vehicle" insert "as"

Page 4, line 24, after "van" insert "as"

Page 4, line 26, before "defined" insert "as"

Page 5, delete lines 8 to 13

Amend the title as follows:

Page 1, line 4, delete "requiring" and insert "establishing conditions

under which”

Page 1, delete lines 5 and 6

Page 1, line 7, delete “children” and insert “bus drivers must activate flashing amber lights”

Page 1, line 8, delete “and rear-end protection for”

Page 1, line 9, delete “other vehicles”

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. 388: A resolution memorializing the President and Congress to establish a multimodal demonstration project on the interstate highway 35W corridor.

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

Page 1, delete lines 5 to 25 and insert:

“WHEREAS, activities have been undertaken, including the preparation of a draft environmental impact statement, which may eventually lead to a major highway construction project in the corridor of interstate highway 35W in the cities of Minneapolis, Richfield, Bloomington, and Burnsville; and

WHEREAS, these activities have generated apprehensiveness in established residential neighborhoods concerning the potential disruption which a major construction project would produce; and

WHEREAS, the interstate highway 35W corridor presents an opportunity to deal with urban freeway traffic congestion in a creative manner which could avoid the necessity of adding new freeway lanes; and

WHEREAS, the use of intensive traffic management techniques, accident reduction and mitigation strategies, and increased transit use through existing and new modes hold the potential of substantially expanding the corridor's capacity for moving traffic without disruptive new construction; and

WHEREAS, the Congress of the United States has once before recognized a unique transportation situation in the Twin Cities metropolitan area by authorizing federal funding in a “high density urban highway intermodal transportation connection” demonstration project in the trunk highway 55 corridor in the city of Minneapolis; and

WHEREAS, the use of flexible highway design standards in the interstate highway 35W corridor would test whether a combination of new and enhanced transit and new and intensive traffic management techniques can succeed in making extensive new highway construction unnecessary by reducing the need for increased highway capacity; and

WHEREAS, the use of flexible highway design standards in the interstate highway 35W corridor would encourage the implementation of transit and shared ride facilities such as high occupancy vehicle lanes and bypasses of freeway meters, and allow for flexibility in implementing the stages of the project; and

WHEREAS, using flexible design standards could result in substantial cost savings for both the state and federal governments as well as avoiding the many adverse results of new urban freeway construction; NOW, THEREFORE,

BE IT RESOLVED by the Legislature of the State of Minnesota that the Congress of the United States is urged to enact, and the President of the United States is urged to approve, legislation authorizing the State of Minnesota to use flexible design standards in a reconstruction of interstate highway 35W between the common section of interstate highways 35W and 94 and the intersection of interstate highways 35W and 35E.

BE IT FURTHER RESOLVED that any federal funding made available for use in highway reconstruction in the interstate highway 35W corridor be taken from federal aid which would otherwise be available to Minnesota under the federal interstate reconstruction, resurfacing, restoration, and rehabilitation program.

BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is directed to prepare certified copies of this resolution and to transmit them to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and to Minnesota's Senators and Representatives in Congress."

Page 2, delete lines 1 to 32

Delete the title and insert:

"A resolution memorializing the President and Congress to enact legislation to allow the use of flexible highway design standards in the interstate highway 35W corridor."

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

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

H.F No. 27: A bill for an act relating to crimes; expanding the definition of "bodily harm" in the crime of third degree assault of an unborn child to include premature birth; amending Minnesota Statutes 1988, section 609.2672.

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 1988, section 609.2671, is amended to read:

609.2671 [ASSAULT OF AN UNBORN CHILD IN THE SECOND DEGREE.]

Whoever assaults a pregnant woman and inflicts substantial bodily harm on an unborn child who is subsequently born alive may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

*As used in this section, "substantial bodily harm" includes the birth of the unborn child prior to 37 weeks gestation if the child weighs 2,500*

*grams or less at the time of birth. "Substantial bodily harm" does not include the inducement of the unborn child's birth when done for bona fide medical purposes."*

Amend the title as follows:

Page 1, line 3, before "bodily" insert "substantial" and delete "third" and insert "second"

Page 1, line 5, delete "609.2672" and insert "609.2671"

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. 14: A bill for an act relating to crimes; restitution; revising current procedures relating to the ordering and collection of restitution; amending Minnesota Statutes 1988, sections 260.185, subdivisions 1 and 3a; 609.135, subdivision 1a; 611A.04, subdivisions 1, 2, and 3; and 611A.045; proposing coding for new law in Minnesota Statutes, chapter 611A.

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

Page 4, line 27, after "*medical*" delete "*or*" and insert "*and*" and after "*wages*" delete "*or*" and insert "*and*"

Page 5, line 12, delete the new language

Page 5, line 13, after "restitution" insert "*or partial restitution*"

Page 5, line 15, delete "*partially*" and after "*grants*" insert "*partial*"

Page 5, line 17, delete "*shall*" and insert "*may*"

Page 5, line 19, delete "*or partially granting*"

Page 5, line 20, before the period, insert "*or partial restitution*"

Page 5, line 27, delete "*must*" and insert "*may*"

Page 6, line 24, delete "*extent of harm*" and insert "*amount of economic loss*" and delete the semicolon and insert "*as a result of the offense; and*"

Page 6, line 26, delete "; *and*"

Page 6, line 27, delete the new language

Page 7, line 1, delete "*must*" and insert "*shall*"

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. 254: A bill for an act relating to charitable gambling; making sales of pull-tabs and tipboards to exempt organizations exempt from state tax; amending Minnesota Statutes 1988, section 349.212, 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.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 351, 400, 215, 294, 163 and 388 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 27 and 14 were read the second time.

**MOTIONS AND RESOLUTIONS**

Ms. Reichgott moved that the name of Mr. Morse be added as a co-author to S.F. No. 63. The motion prevailed.

Mr. Dahl moved that the name of Mr. Frederickson, D.J. be added as a co-author to S.F. No. 87. The motion prevailed.

Mr. Beckman moved that the name of Mr. Morse be added as a co-author to S.F. No. 104. The motion prevailed.

Mr. Bertram moved that the name of Mr. Morse be added as a co-author to S.F. No. 162. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Marty be added as a co-author to S.F. No. 266. The motion prevailed.

Mr. Bertram moved that the name of Mr. Benson be added as a co-author to S.F. No. 435. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Marty be added as a co-author to S.F. No. 446. The motion prevailed.

Mr. Frank moved that the name of Mr. Marty be added as a co-author to S.F. No. 448. The motion prevailed.

Mr. Frank moved that the name of Mr. Merriam be added as a co-author to S.F. No. 452. The motion prevailed.

Mr. Benson moved that the name of Mr. Dahl be added as a co-author to S.F. No. 501. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Morse be added as a co-author to S.F. No. 508. The motion prevailed.

Mr. Pehler moved that the names of Messrs. Samuelson and Decker be added as co-authors to S.F. No. 550. The motion prevailed.

Mr. Pehler moved that the name of Mr. Decker be added as a co-author to S.F. No. 551. The motion prevailed.

Ms. Peterson, D.C. moved that the names of Messrs. Cohen and Marty be added as co-authors to S.F. No. 555. The motion prevailed.

Mr. Ramstad moved that the name of Ms. Peterson, D.C. be added as a co-author to S.F. No. 556. The motion prevailed.

Mr. Moe, R.D. moved that S.F. No. 92 be withdrawn from the Committee on Finance and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Mr. Stumpf introduced—

Senate Resolution No. 46: A Senate resolution congratulating the Northwest Area Ag Information Center, Inc., of Thief River Falls, for its outstanding service in helping the farmers and communities of northwestern Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Morse introduced—

Senate Resolution No. 47: A Senate resolution congratulating Howard Keller for receiving the 1989 Winona Community Achievement Award.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 48: A Senate resolution proclaiming September 14-16, 1989, as Korea: An American Remembrance in the State of Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Resolution No. 49: A Senate resolution relating to the schedule of standing committee meetings.

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

That Senate Resolution No. 4, relating to the schedule of standing committee meetings, Daily Journal pages 10-12, be amended as follows:

Page 1, line 29, delete "Aids" and insert "Funding"

Page 2, line 21, delete "Aids" and insert "Funding"

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. 50: A Senate resolution relating to smoking; banning smoking in public areas of the State Office Building under the control of the Senate; amending Senate Resolution No. 28.

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

Senate Resolution No. 28, banning smoking in public areas of the Capitol under the jurisdiction of the Senate, Daily Journal pages 56-57, is amended as follows:

In the first resolving clause, after "Capitol" insert "and State Office Building"

Amend the title as follows:

After "Capitol" insert "and State Office Building"

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

### CALENDAR

S.F. No. 171: A bill for an act relating to law libraries; permitting fees to be set annually; amending Minnesota Statutes 1988, section 140.422, 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Dicklich	Kroening	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Bernhagen	Frank	Langseth	Novak	Spear
Bertram	Frederick	Lantry	Pariseau	Storm
Brandl	Frederickson, D.J.	Lessard	Pehler	Vickerman
Brataas	Frederickson, D.R.	Marty	Peterson, D.C.	Waldorf
Chmielewski	Freeman	McGowan	Peterson, R.W.	
Cohen	Hughes	McQuaid	Piper	
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 300: A bill for an act relating to crimes; repealing law regulating dance halls; repealing Minnesota Statutes 1988, sections 624.42 to 624.54.

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 58 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Berg, Kroening and Renneke 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.

Mr. Knaak introduced—

S.F. No. 558: A bill for an act relating to local government; restating that certain reserve fund levies are special levies; amending Minnesota Statutes 1988, sections 275.50, subdivision 5; and 471.572, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Pariseau, Mr. McGowan and Ms. Olson introduced—

S.F. No. 559: A bill for an act relating to taxation; property; extending the homestead and agricultural credit to taxes payable after 1989; abolishing transition aid; repealing increases in income maintenance payments; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2131, subdivision 3; 124.2139; 124A.02, subdivision 3a; 256.01, subdivision 2; 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.091, subdivision 8; 256B.15; 256B.19, subdivisions 1 and 2; 256D.03, subdivisions 2 and 6; 256D.04; 256D.36, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 22 and 23; 273.132, subdivisions 1, 2, and 5; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1398, subdivisions 1, 3, and 6; 273.165, subdivision 2; 275.065, subdivision 2; 275.07, subdivision 1; 275.08, subdivisions 1a and 1b; 275.50, subdivision 5; 275.51, subdivisions 3f and 3h; 276.04, subdivision 2; 290A.04, subdivision 2; 393.07, subdivisions 2 and 10; 473.446, subdivision 1; 473F02, subdivision 23; 473F05; 473F06; 473F07, subdivisions 1, 4, and 5; 473F08, subdivisions 1, 2, 3a, 4, 5, 6, and 10; 473F10; 477A.011, subdivisions 15 and 20; and 477A.013, subdivision 3; Laws 1988, chapter 719, article 5, sections 81 and 84; repealing Minnesota Statutes 1988, sections 256.017; 256.018; 256.019; 273.13, subdivision 21a; 273.135, subdivision 2a; 273.1391, subdivision 2a; 273.1398, subdivisions 2 and 5; 275.07, subdivision 3; 275.08, subdivision 1c; 290A.04, subdivision 2b; and Laws 1988, chapter 719, article 8, sections 32, 33, 34, 35, and 36.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Marty, Spear and Cohen introduced—

S.F. No. 560: A bill for an act relating to criminal procedure; providing for the Ramsey county attorney to prosecute certain gross misdemeanors; amending Minnesota Statutes 1988, section 388.051, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Pogemiller; Johnson, D.J.; Novak; Pehler and Bernhagen introduced—

S.F. No. 561: A bill for an act relating to taxation; reducing the tax capacity percentage applied to rental housing; amending Minnesota Statutes 1988, section 273.13, subdivision 25.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bernhagen, Decker, Ramstad, Larson and Ms. Olson introduced—

S.F. No. 562: A bill for an act relating to the legislature; requiring the legislature to conform to the standards of the open meeting law; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.



Messrs. Renneke and Dahl introduced—

S.F. No. 563: A bill for an act relating to the environment; establishing interim waste tire collection facility; appropriating money; amending Minnesota Statutes 1988, section 115A.912, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Messrs. DeCramer and Vickerman introduced—

S.F. No. 564: A bill for an act relating to natural resources; increasing the amount of levy for the Kanaranzi-Little Rock watershed district administrative fund.

Referred to the Committee on Environment and Natural Resources.

Mr. Vickerman introduced—

S.F. No. 565: A bill for an act relating to veterans; providing for establishment of a veterans home in Windom; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Mrs. McQuaid introduced—

S.F. No. 566: A bill for an act relating to education; establishing a categorical program for the gifted and talented; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mrs. McQuaid introduced—

S.F. No. 567: A bill for an act relating to taxation; individual income; modifying computation of the dependent care credit; indexing the offset for inflation; amending Minnesota Statutes 1988, section 290.067, subdivision 2, and by adding subdivisions.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Ramstad, Knaak, Benson and McGowan introduced—

S.F. No. 568: A bill for an act relating to crimes; repealing the law that requires the sentencing guidelines commission to take capacities of correctional facilities into consideration when modifying the guidelines; directing the commission to submit a report to the legislature that proposes modifications to the guidelines that are not based upon correctional capacity; amending Minnesota Statutes 1988, section 244.09, subdivision 5.

Referred to the Committee on Judiciary.

Mr. Samuelson introduced—

S.F. No. 569: A bill for an act relating to human services; prescribing new duties for the ombudsman for mental health and mental retardation; changing the procedures for discharge of persons committed to treatment facilities as mentally retarded; requiring county monitoring of persons

receiving case management services; appropriating money; amending Minnesota Statutes 1988, sections 253B.16, subdivision 1; and 256B.092, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.R.; Luther; Ramstad and Peterson, R.W. introduced—

S.F. No. 570: A bill for an act relating to traffic regulations; providing for suspension of nonresident's driving privilege under certain circumstances; amending Minnesota Statutes 1988, sections 171.15 and 171.16.

Referred to the Committee on Transportation.

Messrs. Frederickson, D.R.; Luther; Ramstad and Peterson, R.W. introduced—

S.F. No. 571: A bill for an act relating to courts; specifying the income standard for proceeding in forma pauperis; amending Minnesota Statutes 1988, section 563.01, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Ramstad and Merriam introduced—

S.F. No. 572: A bill for an act relating to crimes; increasing the penalty for falsely reporting child abuse to influence child custody hearing; amending Minnesota Statutes 1988, section 609.507.

Referred to the Committee on Judiciary.

Mr. Spear, Mses. Berglin, Reichgott, Messrs. Luther and Laidig introduced—

S.F. No. 573: A bill for an act relating to marriage dissolution; including the primary caretaker standard as a factor to be considered in custody decisions; providing that the court may not use one factor as controlling in determining custody; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve on-going visitation disputes; providing for visitation by persons who have resided with a child; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Judiciary.

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

S.F. No. 574: A bill for an act relating to natural resources; providing for a deficiency in the appropriation for emergency deer feeding; appropriating money.

Referred to the Committee on Finance.

Messrs. Dicklich; Moe, R.D.; Johnson, D.J.; Gustafson and Frederickson, D.J. introduced—

S.F. No. 575: A bill for an act relating to resource development; establishing a legislative commission on minerals; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Ms. Piper, Messrs. Vickerman, Metzen, Chmielewski and Berg introduced—

S.F. No. 576: A bill for an act relating to human services; providing that medical certification for general assistance benefits may be made by a licensed chiropractor; amending Minnesota Statutes 1988, section 256D.02, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Marty and Morse introduced—

S.F. No. 577: A bill for an act relating to elections; limiting campaign expenditures by certain congressional candidates; providing a public campaign subsidy for certain congressional candidates; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 10A.30, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 10B.

Referred to the Committee on Elections and Ethics.

Messrs. Chmielewski, Pehler, Waldorf, Novak and Gustafson introduced—

S.F. No. 578: A bill for an act relating to utilities; providing for the establishment of flexible electric utility rates for certain customers subject to effective competition; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

Mr. Moe, D.M.; Ms. Piper, Messrs. Novak and Purfeerst introduced—

S.F. No. 579: A bill for an act relating to traffic regulations; providing for an alternative slow-moving vehicle emblem for persons with certain sincerely held religious beliefs; amending Minnesota Statutes 1988, section 169.522, subdivision 1.

Referred to the Committee on Transportation.

Mr. Frank introduced—

S.F. No. 580: 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.

Messrs. McGowan, Storm and Mrs. McQuaid introduced—

S.F. No. 581: A bill for an act relating to education; establishing a basic revenue formula allowance for fiscal years 1990 and 1991; revising the training and experience revenue formula; amending Minnesota Statutes 1988, section 124A.22, subdivisions 2 and 4.

Referred to the Committee on Education.

Ms. Reichgott, Messrs. Hughes, Stumpf, Pehler and Knaak introduced—

S.F. No. 582: A bill for an act relating to education; proposing department of education children's initiatives; appropriating money; amending Minnesota Statutes 1988, sections 120.17, subdivision 11a; 124.271, by adding subdivisions; 124.2711, subdivision 1; and 275.125, subdivisions 8 and 8b; proposing coding for new law in Minnesota Statutes, chapters 123 and 129B; repealing Minnesota Statutes 1988, sections 123.703; 123.705; and 124.271, subdivision 2b.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 583: A bill for an act relating to agriculture; regulating the manufacture of cultured dairy food; requiring pasteurization for certain dairy products; amending Minnesota Statutes 1988, section 32.486, subdivision 1, and by adding a subdivision.

Referred to the Committee on Agriculture and Rural Development.

Mrs. McQuaid and Mr. Anderson introduced—

S.F. No. 584: A bill for an act relating to taxation; sales and use; repealing accelerated payment of June liability; amending Minnesota Statutes 1988, section 297A.27, subdivision 1; repealing Minnesota Statutes 1988, section 297A.275.

Referred to the Committee on Taxes and Tax Laws.

Mr. Fredrickson, D.R. introduced—

S.F. No. 585: A bill for an act relating to veterans; providing for establishment of a veterans home in St. Peter; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Mr. Metzen introduced—

S.F. No. 586: A bill for an act relating to taxation; sales and use; exempting materials used and consumed in the production of certain taxable services; amending Minnesota Statutes 1988, section 297A.25, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Beckman, Dahl, Bernhagen, Frank and Johnson, D.E. introduced—

S.F. No. 587: A bill for an act relating to housing; exempting relocated residential buildings from certain provisions of the state building code; amending Minnesota Statutes 1988, section 16B.61, subdivision 3.

Referred to the Committee on Economic Development and Housing.

Mrs. Lantry and Mr. Schmitz introduced—

S.F. No. 588: A bill for an act relating to horse racing; allowing a licensed racetrack to conduct pari-mutuel betting on televised races on days when races are not conducted at the licensed racetrack; allowing the licensed racetrack to commingle pari-mutuel pools with the sending racetrack; amending Minnesota Statutes 1988, sections 240.01, subdivision 10, and by adding a subdivision; 240.10; 240.13, subdivisions 1, 3, and by adding a subdivision; 240.14, by adding a subdivision; 240.16, by adding a subdivision; and 240.29.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Chmielewski, Solon and Vickerman introduced—

S.F. No. 589: A bill for an act relating to health; health maintenance organizations; providing coverage for chiropractic care; amending Minnesota Statutes 1988, sections 62D.02, subdivision 7; 62D.102; and 62D.12, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Diessner, Vickerman, Mehrkens, Langseth and Beckman introduced—

S.F. No. 590: A bill for an act relating to veterans; requiring a presentence investigation report on a convicted veteran to include information on whether the veteran is suffering from a posttraumatic stress disorder; requiring the chief executive officers of correctional facilities to provide veteran inmates suffering from posttraumatic stress disorders with appropriate medical care; amending Minnesota Statutes 1988, sections 241.06; and 609.115, by adding a subdivision.

Referred to the Committee on Veterans and Military Affairs.

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

S.F. No. 591: A bill for an act relating to local government; providing for the appointment of certain employees of the city of Minneapolis and special school district No. 1; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 592: A bill for an act relating to libraries; providing copies of statutes, laws, and rules to Southwest State University; amending Minnesota Statutes 1988, sections 3C.12, subdivision 2; and 14.47, subdivision 8.

Referred to the Committee on Education.

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

S.F. No. 593: A bill for an act relating to natural resources; providing for the disposal of certain low-grade state-owned iron-bearing materials for construction or maintenance purposes; amending Minnesota Statutes 1988, section 93.41, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 594: A bill for an act relating to agriculture; maintaining uniformity with certain federal food law provisions; amending Minnesota Statutes 1988, sections 31.101; 31.102, subdivision 1; 31.103, subdivision 1; and 31.104.

Referred to the Committee on Agriculture and Rural Development.

Mr. Samuelson introduced—

S.F. No. 595: A bill for an act relating to adoption; creating a postadoption service and grants program; defining eligibility criteria; providing for certification statement by local social service agency; proposing coding for new law in Minnesota Statutes, chapter 259.

Referred to the Committee on Health and Human Services.

Messrs. Freeman, Samuelson, Cohen, Solon and Anderson introduced—

S.F. No. 596: A bill for an act relating to state government; state employees; permitting direct deposit of pay in credit unions; amending Minnesota Statutes 1988, section 16A.133, subdivision 1; repealing Minnesota Statutes 1988, section 16A.133, subdivision 3.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 597: A bill for an act relating to workers' compensation; reducing the waiting period for workers' compensation claims; amending Minnesota Statutes 1988, section 176.121.

Referred to the Committee on Employment.

Messrs. Merriam and Johnson, D.J. introduced—

S.F. No. 598: A bill for an act relating to natural resources; changing certain provisions relating to the acquisition, disposition, and exchange of state lands; amending Minnesota Statutes 1988, sections 84.0272; 84.0274, by adding a subdivision; 94.09, subdivision 2; and 94.342, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller, Brandl, Ms. Berglin, Messrs. Kroening and Spear introduced—

S.F. No. 599: A bill for an act relating to the city of Minneapolis; excluding certain employees from public employees retirement association membership; amending Laws 1980, chapter 595, section 2, subdivision 4.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller introduced—

S.F. No. 600: A bill for an act relating to animals; granting certain powers to animal control officers; amending Minnesota Statutes 1988, section 343.29, subdivision 1.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Freeman, Samuelson, Frank, Renneke and Ms. Reichgott introduced—

S.F. No. 601: A bill for an act relating to employment; requiring a semi-annual survey to measure underemployment of Minnesota workers; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Employment.

Mr. Taylor introduced—

S.F. No. 602: A bill for an act relating to the city of Mankato; authorizing the establishment of special service districts in the city.

Referred to the Committee on Local and Urban Government.

Mr. Taylor introduced—

S.F. No. 603: A bill for an act relating to human rights; requiring a certificate of compliance for public contracts with a person with 20 or more employees; amending Minnesota Statutes 1988, section 363.073, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 604: A bill for an act relating to workers' compensation; regulating legal, rehabilitation, and medical costs; requiring reports; appropriating money; amending Minnesota Statutes 1988, sections 176.081, subdivisions 1, 2, and 3; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, and 7; 176.136, subdivisions 1, 5, and by adding subdivisions; and 176.155, subdivision 1.

Referred to the Committee on Employment.

Mr. Marty, Ms. Peterson, D.C. and Mr. Spear introduced—

S.F. No. 605: A bill for an act relating to corrections; authorizing the commissioner of corrections to take photographs of juveniles committed to the commissioner for management and law enforcement purposes; amending Minnesota Statutes 1988, section 260.161, subdivision 3.

Referred to the Committee on Health and Human Services. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Dahl and Renneke introduced—

S.F. No. 606: A bill for an act relating to the environment; providing for processing waste tires; establishing priorities; amending Minnesota Statutes 1988, sections 115A.906, subdivision 2; and 115A.912, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 607: A bill for an act relating to education; providing for notice of vacancies on the board of regents of the University of Minnesota; requiring use of the open appointments process; amending Minnesota Statutes 1988, section 137.0245, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

Messrs. Samuelson, Solon, Lessard, Benson and Pehler introduced—

S.F. No. 608: A bill for an act relating to tourism; creating a department of tourism; transferring duties and powers from the department of trade and economic development to the department of tourism; appropriating money; amending Minnesota Statutes 1988, sections 15A.081, subdivision 1; 116J.01, subdivision 3; 116J.60; 301A.01, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 116Q; and repealing Minnesota Statutes 1988, section 116J.615.

Referred to the Committee on Economic Development and Housing.

Mr. Bertram introduced—

S.F. No. 609: A bill for an act relating to intoxicating liquor; allowing a farm winery to sell wine off the premises of the winery; amending Minnesota Statutes 1988, section 340A.315, subdivision 2.

Referred to the Committee on Commerce.

Ms. Piper, Messrs. Vickerman; Langseth; Frederickson, D.J. and Beckman introduced—

S.F. No. 610: A bill for an act relating to state employees; prohibiting further hiring of state employees in the metropolitan area except for those approved by the commissioner of employee relations; limiting the termination of state employees in nonmetropolitan areas; requiring state agencies to prepare a plan to decentralize employment; amending Minnesota Statutes 1988, section 43A.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations.

Mr. Benson introduced—

S.F. No. 611: A bill for an act relating to advertising devices; allowing signs to be erected directing travelers to Lake Louise State Park.



Referred to the Committee on Transportation.

Mr. Moe, D.M.; Mrs. Lantry and Mr. Purfeerst introduced—

S.F. No. 612: A bill for an act relating to capital improvements; authorizing the sale of state bonds for the museum of transportation; appropriating money; amending Minnesota Statutes 1988, section 174.50, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Morse, Brandl and Frank introduced—

S.F. No. 613: A bill for an act relating to housing; regulating the powers and duties of the housing finance agency; amending Minnesota Statutes 1988, sections 462A.03, subdivision 12; 462A.05, subdivisions 4, 14a, 20, 21, and 27, and by adding subdivisions; 462A.07, subdivision 14, and by adding a subdivision; and 462A.21, subdivisions 4c and 12, and by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Marty, Pogemiller and Ms. Berglin introduced—

S.F. No. 614: A bill for an act relating to housing; landlord and tenant; providing for tenant's remedies for failure of owner to repair premises; providing a procedure for actions involving nonpayment of rent; providing penalties; amending Minnesota Statutes 1988, section 566.28; proposing coding for new law in Minnesota Statutes, chapters 504 and 566.

Referred to the Committee on Economic Development and Housing.

Mr. Metzen introduced—

S.F. No. 615: A bill for an act relating to taxation; providing a property tax refund if property taxes increase over ten percent from the previous year; amending Minnesota Statutes 1988, section 290A.04, subdivision 2h.

Referred to the Committee on Taxes and Tax Laws.

Mrs. McQuaid, Messrs. Laidig and Taylor introduced—

S.F. No. 616: A bill for an act relating to human services; 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 privately operated child care in the 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; appropriating money; amending Minnesota Statutes 1988, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 245A.04, by adding a subdivision; 245A.14, by adding a subdivision; 256H.10, subdivisions 1 and 2, 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, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Berg; Merriam; Johnson, D.E. and Hughes introduced—

S.F. No. 617: A bill for an act relating to elections; regulating contributions; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections and Ethics.

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

S.F. No. 618: A bill for an act relating to education; exempting employment by a school district from certain requirements relating to employment of rehabilitated criminal offenders; amending Minnesota Statutes 1988, section 364.09.

Referred to the Committee on Judiciary.

Messrs. Freeman, Morse and Ms. Berglin introduced—

S.F. No. 619: A bill for an act relating to human services; disregarding the first \$50 of child support received when determining eligibility for food stamps; expanding the local income assistance grant program; appropriating money; amending Minnesota Statutes 1988, section 393.07, subdivision 10; and Laws 1988, chapter 689, article 2, sections 248, and 269, subdivision 2.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 620: A bill for an act relating to crime; enhancing penalties for offenders who unlawfully distribute controlled substances to minors in public parks, on school premises, at bus stops, or enroute to or from school; making possession and use of dangerous weapons while involved in unlawful controlled substance transactions a separate crime; requiring the attorney general to draft and disseminate a plain language version of these laws; amending Minnesota Statutes 1988, section 152.15, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 152.

Referred to the Committee on Judiciary.

Mses. Berglin, Reichgott, Messrs. Luther, Cohen and Knaak introduced—

S.F. No. 621: A bill for an act relating to courts; declaring that money or assets in court-supervised settlement accounts are not available to a minor child or the child's parent or guardian, until released by the court, for purposes of determining eligibility for human services programs; amending Minnesota Statutes 1988, section 540.08.

Referred to the Committee on Judiciary.

## ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 20, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FOURTEENTH DAY

St. Paul, Minnesota, Monday, February 20, 1989

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

Prayer was offered by the Chaplain, Rev. John Spencer.

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

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 2, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Ralph Strangis, 1117 Marquette Ave., Minneapolis, Hennepin County,

has been appointed by me, effective February 1, 1989, for a term expiring June 30, 1989.

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

February 7, 1989

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:

Thomas Lindquist, 12393 Flag Ave. S., Savage, Scott County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Douglas Wallace, 5009 Wentworth Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

February 7, 1989

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:

Patricia Allinder, 801 W. 17th St., Willmar, Kandiyohi County, has been appointed by me, effective February 5, 1989, for a term expiring the first Monday in January, 1993.

Donna Anderson, 2221 Marillac Ln., St. Paul, Ramsey County, has been appointed by me, effective February 5, 1989, for a term expiring the first Monday in January, 1993.

Alan Olson, 1999 - 260th St., Farmington, Dakota County, has been appointed by me, effective February 5, 1989, for a term expiring the first Monday in January, 1993.

(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 House Files, herewith transmitted: H.F. Nos. 218, 141, 247 and 363.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 16, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 218: A bill for an act relating to motor vehicles; defining terms; including station wagon and certain passenger-carrying vans as passenger automobiles for all purposes; providing for registration of certain vehicles; amending Minnesota Statutes 1988, sections 65B.001, subdivision 3; 65B.43, subdivision 12; 116.60, subdivision 7; 168.011, subdivisions 7, and 28; 168.012, subdivision 1; 168.017, subdivision 1; 168.12, subdivisions 2b and 2c; 168.124, subdivision 5; 168.125, subdivision 1; and 168.126, subdivision 2; repealing Minnesota Statutes 1988, sections 168.011, subdivision 23; and 168.101, subdivision 5.

Referred to the Committee on Transportation.

H.F. No. 141: A bill for an act relating to education; correcting, clarifying, and changing certain education statutes; amending Minnesota Statutes 1988, sections 120.062, subdivisions 1 and 12; 120.075, subdivision 5; 120.0751, subdivision 6; 120.0752, subdivision 4; 121.88, subdivision 10; 121.904, subdivision 4a; 121.912, subdivision 1; 123.3515, subdivision 9; 123.36, subdivision 13; 123.705, subdivision 1; 124.155, subdivision 2; 124.214, subdivisions 2 and 3; 124.225, subdivisions 1, 4b, 7a, 7b, 8a, 8b, 8i, 8j, 8k, 8l, 10, and by adding a subdivision; 124.2445; 124.245, subdivision 6; 124.575, subdivision 1; 124A.24; 126.22, subdivisions 2 and 3; and 275.125, subdivisions 5b, 5c, 5e, 9, and 11d; Laws 1987, chapter 398, article 6, section 19, subdivision 9.

Referred to the Committee on Education.

H.F. No. 247: A bill for an act relating to education; clarifying the referendum levy language; creating a conversion method; amending Minnesota Statutes 1988, sections 124.82, subdivision 3; and 124A.03.

Referred to the Committee on Education.

H.F. No. 363: A resolution memorializing the President and Congress of the United States to prevent the imposition of any additional federal excise tax on motor fuel in order to reduce the federal deficit.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 173, 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 reports pertaining to appointments. The motion prevailed.

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

S.F. No. 104: A bill for an act relating to agriculture; making changes in the rural finance authority loan program; amending Minnesota Statutes 1988, sections 41B.02, subdivisions 12, 15, and 18; 41B.03, subdivision 3, and by adding a subdivision; 41B.039, subdivision 1; proposing coding

for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5.

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

Page 3, line 28, delete "*or by a contract for deed*"

Page 3, delete lines 29 to 33 and insert:

*"Subd. 3. [PROHIBITED PARTICIPATION.] The authority may not participate in seller-sponsored loans if the buyer or seller has previously participated in a family farm security loan or a seller-sponsored loan under chapter 41. Unless the loan is partially financed by an eligible lender, the authority may not participate in loans between persons that are related to each other as parent and child, grandparent and grandchild, uncle or aunt and niece or nephew, or first cousins."*

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. 382: A bill for an act relating to animals; clarifying regulations pertaining to dangerous dogs; prohibiting local ordinances that define specific breeds of dogs as dangerous; amending Minnesota Statutes 1988, sections 347.50, subdivisions 4, 5, and by adding a subdivision; 347.51, subdivision 5, and by adding subdivisions; 347.53; 347.54; and 609.226, subdivision 1.

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

Page 2, after line 16, insert:

*"Sec. 5. Minnesota Statutes 1988, section 347.51, subdivision 6, is amended to read:*

*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 or other person designated by the county board in the county where the owner resides."*

Page 2, after line 29, insert:

*"Sec. 8. Minnesota Statutes 1988, section 347.51, is amended by adding a subdivision to read:*

*Subd. 9. [CONTRACTED SERVICES.] A county may contract with another political subdivision or other person to provide the services required under sections 347.50 to 347.54."*

Page 3, line 21, delete "*killed*" and insert "*destroyed*"

Page 3, line 23, delete "*killing*" and insert "*destroying*"

Page 3, line 26, delete "*reasonable*"

Page 4, line 4, delete "*killed*" and insert "*destroyed*"

Page 4, line 6, delete "killing" and insert "destroying"

Page 4, line 8, delete "reasonable"

Page 4, line 14, after "confining" insert ", impounding,"

Page 4, line 26, delete "8" and insert "10"

Page 4, line 27, delete "9" and insert "11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete the second "subdivision" and insert "subdivisions"

Page 1, line 7, after "5" insert "and 6"

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. 61: A bill for an act relating to taxation; making technical corrections and tax capacity rate changes to the property taxation of unmined iron ore; making technical corrections and clarifications to the corporate franchise tax; retroactively providing a corporate franchise tax modification for mining income or gains; clarifying the computation of mining occupation taxes; exempting S corporations from business activity report filing requirements; repealing an obsolete reference; amending Minnesota Statutes 1988, sections 273.1104, subdivision 2; 273.13, subdivision 31; 290.01, subdivisions 4a and 19d; 290.015, subdivisions 1, 2, 3, and 4; 290.092, subdivision 4a; 290.191, subdivisions 6 and 11; 290.371; 298.01, subdivisions 3 and 4, and by adding subdivisions; and Laws 1988, chapter 719, article 2, section 57; repealing Minnesota Statutes 1988, sections 52.22 and 273.1104, subdivision 1.

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 1988, section 273.1104, subdivision 2, is amended to read:

Subd. 2. On or before ~~October 1~~ *September 15* in each year, the commissioner shall send to each person subject to the tax on unmined iron ores and to each taxing district affected, a notice of the ~~gross tax capacity~~ *market value* of the unmined ores as determined by the commissioner *prior to adjustment under subdivision 1*. Said notice shall be sent by mail directed to such person at the address given in the report filed and the assessor of such taxing district, but the validity of the tax shall not be affected by the failure of the commissioner of revenue to mail such notice or the failure of the person subject to the tax to receive it.

On the first secular day following the ~~tenth~~ *first* day of October, the commissioner of revenue shall hold a hearing which may be adjourned from day to day. All relevant and material evidence having probative value with respect to the issues shall be submitted at the hearing and such hearing

shall not be a "contested case" within the meaning of section 14.02, subdivision 3. Every person subject to such tax may at such hearing present evidence and argument on any matter bearing upon the validity or correctness of the tax determined to be due, and the commissioner of revenue shall review the determination of such tax.

Sec. 2. Minnesota Statutes 1988, 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, 1987, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable



for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code of 1986, as amended through December 31, 1987, 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:

Taxable Year	
Beginning After .....	Percentage
December 31, 1988 .....	50 percent
December 31, 1990 .....	80 percent; <del>and</del>

(12) *income or gains from the business of mining as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax.*

Sec. 3. Minnesota Statutes 1988, section 298.01, subdivision 3, is amended to read:

Subd. 3. [OCCUPATION TAX; OTHER ORES.] Every person engaged in the business of mining or producing ores *in this state*, except iron ore or taconite concentrates, shall pay an occupation tax to the state of Minnesota as provided in this subdivision. The tax is ~~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 determined in the~~

*same manner as the tax imposed by section 290.02, except that sections 290.01, subdivisions 19e, clause (11), 19d, clause (7), and 290.05, subdivision 1, clause (a), and 290.17, subdivision 4, 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. 4. Minnesota Statutes 1988, section 298.01, is amended by adding a subdivision to read:

*Subd. 3a. [GROSS INCOME.] (a) For purposes of determining a person's taxable income under subdivision 3, gross income is determined by the amount of gross proceeds from mining in this state under section 298.016 and includes any gain or loss recognized from the sale or disposition of assets used in the business in this state.*

*(b) In applying section 290.191, subdivision 5, transfers of ores are deemed to be sales outside this state if the ores are transported out of this state after the ores have been converted to a marketable quality.*

Sec. 5. Minnesota Statutes 1988, section 298.01, is amended by adding a subdivision to read:

*Subd. 3b. [DEDUCTIONS.] (a) For purposes of determining taxable income under subdivision 3, the deductions from gross income include only those expenses necessary to convert raw ores to marketable quality. Such expenses include costs associated with refinement but do not include expenses such as transportation, stockpiling, marketing, or marine insurance that are incurred after marketable ores are produced, unless the expenses are included in gross income.*

*(b) The provisions of section 290.01, subdivisions 19c, clauses (7) and (11), and 19d, clauses (7) and (12), are not used to determine taxable income.*

Sec. 6. Minnesota Statutes 1988, section 298.01, subdivision 4, is amended to read:

**Subd. 4. [OCCUPATION TAX; IRON ORE; TACONITE CONCENTRATES.]** A person engaged in the business of mining or producing of iron ore or taconite concentrates in this state shall pay an occupation tax to the state of Minnesota. The tax is 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, determined in the same manner as the tax imposed by section 290.02, except that sections 290.01, subdivisions 19e, clause (11), 19d, clause (7), and 290.05, subdivision 1, clause (a), and 290.17, subdivision 4, 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. 7. Minnesota Statutes 1988, section 298.01, is amended by adding a subdivision to read:

*Subd. 4a. [GROSS INCOME.] (a) For purposes of determining a person's taxable income under subdivision 4, gross income is determined by the mine value of the ore mined in Minnesota and includes any gain or loss recognized from the sale or disposition of assets used in the business in*

*this state.*

*(b) Mine value is the value, or selling price, of iron ore or taconite concentrates, f.o.b. mine. The mine value is calculated by multiplying the iron unit price for the period, as determined by the commissioner, by the tons produced and the weighted average analysis.*

*(c) In applying section 290.191, subdivision 5, transfers of iron ore and taconite concentrates are deemed to be sales outside this state if the iron ore or taconite concentrates are transported out of this state after the raw iron ore and taconite concentrates have been converted to a marketable quality.*

Sec. 8. Minnesota Statutes 1988, section 298.01, is amended by adding a subdivision to read:

*Subd. 4b. [DEDUCTIONS.] For purposes of determining taxable income under subdivision 4, the deductions from gross income include only those expenses necessary to convert raw iron ore or taconite concentrates to marketable quality. Such expenses include costs associated with beneficiation and refinement but do not include expenses such as transportation, stockpiling, marketing, or marine insurance that are incurred after marketable iron ore or taconite pellets are produced.*

Sec. 9. Minnesota Statutes 1988, section 298.01, is amended by adding a subdivision to read:

*Subd. 4c. [SPECIAL DEDUCTIONS.] (a) For purposes of determining taxable income under subdivision 4, the following modifications are allowed:*

*(1) the provisions of section 290.01, subdivisions 19c, clauses (7) and (11), and 19d, clauses (7) and (12), are not used to determine taxable income; and*

*(2) for assets placed in service before January 1, 1990, the deduction for depreciation will be the same amount allowed under chapter 290, except that after an asset has been fully depreciated for federal income tax purposes any remaining depreciable basis is allowed as a deduction using the straight-line method over the following number of years:*

- (i) three-year property, one year;*
- (ii) five- and seven-year property, two years;*
- (iii) ten-year property, five years; and*
- (iv) all other property, seven years.*

*No deduction is allowed if an asset is fully depreciated for occupation tax purposes before January 1990.*

*(b) For purposes of determining the deduction allowed under paragraph (a), clause (2), the remaining depreciable basis of property placed in service before January 1, 1990, is calculated as follows:*

*(1) the adjusted basis of the property on December 31, 1989, which was used to calculate the hypothetical corporate franchise tax under Minnesota Statutes 1988, section 298.40, including salvage value; less*

*(2) deductions for depreciation allowed under section 290.01, subdivision 19e.*

*(c) The basis for determining gain or loss on sale or disposition of assets*

*placed in service before January 1, 1990, is the basis determined under paragraph (b), less the deductions allowed under paragraph (a), clause (2).*

*(d) The amount of net operating loss incurred in a taxable year beginning before January 1, 1990, that may be carried over to a taxable year beginning after December 31, 1989, is the amount of net operating loss carryover determined in the calculation of the hypothetical corporate franchise tax under Minnesota Statutes 1988, sections 298.40 and 298.402.*

#### Sec. 10. [EFFECTIVE DATES.]

*Section 1 is effective for taxes levied in 1989, payable in 1990, and thereafter. Section 2 is effective for taxable years beginning after December 31, 1986. Sections 3 to 5 are effective for ores mined after December 31, 1986. Sections 6 to 9 are effective for ores mined after December 31, 1989.*

### ARTICLE 2

Section 1. Minnesota Statutes 1988, section 290.015, subdivision 2, is amended to read:

Subd. 2. [PRESUMPTION.] (a) A person is presumed, subject to rebuttal, to be obtaining or regularly soliciting business from within this state if:

(1) ~~it is a financial institution and~~ it conducts activities described in subdivision 1, paragraph (b), without regard to transactions described in subdivision 3, with 20 or more persons within 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 (i) is not engaged in activities within this state under subdivision 1, paragraph (a), and (ii) does not satisfy the requirements of paragraph (a) is not subject to taxes imposed by this chapter.

Sec. 2. Minnesota Statutes 1988, 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.

(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 the property, the servicing of the property or the income from it, the collection of income from the property, or the acquisition or liquidation of collateral relating to the 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 *or a fund of a regulated*

*investment company*, as those terms are defined in the Internal Revenue Code of 1986, as amended through December 31, 1987;

(2) *an interest in money market instruments or securities as defined in section 290.191, subdivision 6, paragraphs (c) and (d);*

(3) *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 in them;*

~~(3)~~ (4) *an interest in any assets described in section 290.191, subdivision 11, paragraphs (e) to (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) (5) *an interest in the right to service, or collect income from any assets described in section 290.191, subdivision 11, paragraphs (e) to (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)~~ (6) *an interest of a person other than an individual, estate, or trust, 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, provided the property is disposed of within a reasonable period of time; or*

~~(6)~~ (7) *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~~, *clauses (2) to (7), do not apply to an interest acquired from another member of the unitary group.*

Sec. 3. Minnesota Statutes 1988, section 290.015, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS.] (a) This section does not 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.

(b) The purchase of tangible personal property 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. *This paragraph is subject to the limitations contained in subdivision*

3, paragraph (b), clauses (4) and (5).

(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, or with respect to deposits received from or by a Minnesota financial institution, 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. 4. Minnesota Statutes 1988, section 290.092, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] Corporations subject to tax under sections 290.05, subdivision 3; or 60A.15, subdivision 1 and 290.35; real estate investment trusts; regulated investment companies *as defined in section 851(a) of the Internal Revenue Code of 1986 or funds of regulated investment companies as defined in section 851(h) of the Internal Revenue Code of 1986, as amended through December 31, 1988*; cooperatives taxable under subchapter T of the Internal Revenue Code of 1986 or organized under chapter 308 or a similar law of another state; and entities having a valid election in effect under section 1362 or 860D(b) of the Internal Revenue Code of 1986, as amended through December 31, 1987 1988, are not subject to the tax imposed in subdivision 1 or subdivision 5.

Sec. 5. Minnesota Statutes 1988, section 290.092, subdivision 4a, is amended 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~~ 60A.02; or

(6) a corporation the affairs of which the commissioner finds were arranged as they were primarily to reduce taxes by qualifying as a new business under this subdivision.

Sec. 6. Minnesota Statutes 1988, section 290.191, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF RECEIPTS FACTOR FOR FINANCIAL INSTITUTIONS.] (a) For purposes of this section, the rules in this subdivision and subdivisions 7 and 8 apply in determining the receipts factor for financial institutions.

(b) "Receipts" for this purpose means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the taxpayer's trade or business.

(c) "Money market instruments" means federal funds sold and securities purchased under agreements to resell, commercial paper, banker's acceptances, and purchased certificates of deposit and similar instruments to the extent that the instruments are reflected as assets under generally accepted accounting principles.

(d) "Securities" means United States Treasury securities, obligations of United States government agencies and corporations, obligations of state and political subdivisions, corporate stock and other securities, participations in securities backed by mortgages held by United States or state government agencies, loan-backed securities and similar investments to the extent the investments are reflected as assets under generally accepted accounting principles.

(e) Receipts from the lease or rental of real or tangible personal property, including both finance leases and true leases, must be attributed to this state if the property is located in this state. Tangible personal property that is characteristically moving property, such as motor vehicles, rolling stock, aircraft, vessels, mobile equipment, and the like, is considered to be located in a state if:

(1) the operation of the property is entirely within the state; or

(2) the operation of the property is in two or more states, but the principal base of operations from which the property is sent out is in the state.

(f) Interest income and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property must be attributed to this state if the security property is located in this state

under the principles stated in paragraph (e).

(g) Interest income and other receipts from consumer loans not secured by real or tangible personal property that are made to residents of this state, whether at a place of business, by traveling loan officer, by mail, by telephone or other electronic means, must be attributed to this state.

(h) Interest income and other receipts from commercial loans and installment obligations ~~not secured that are unsecured~~ by real or tangible personal property *or secured by intangible property* must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the income and receipts are attributed to the state in which the office of the borrower from which the application would be made in the regular course of business is located. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) Interest income and other receipts from a participating financial institution's portion of participation *and syndication* loans must be attributed under paragraphs (e) to (h). A participation loan is ~~a loan in which more than one lender is a creditor to a common borrower~~ *an arrangement in which a lender makes a loan to a borrower and then sells all or a part of the loan to a purchasing financial institution. A syndication loan is a multibank loan transaction in which all the lenders are named as parties to the loan documentation, are known to the borrower, and have privity of contract with the borrower.*

(j) Interest income and other receipts including service charges from financial institution credit card and travel and entertainment credit card receivables and credit card holders' fees must be attributed to the state to which the card charges and fees are regularly billed.

(k) Merchant discount income derived from financial institution credit card holder transactions with a merchant must be attributed to the state in which the merchant is located. In the case of merchants located within and outside the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Receipts from the performance of fiduciary and other services must be attributed to the state in which the benefits of the services are consumed. If the benefits are consumed in more than one state, the receipts from those benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state. If the extent to which the benefits of services are consumed in this state is not readily determinable, the benefits of the services shall be deemed to be consumed at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be 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 the property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b). If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (n) and subdivision 7.

Sec. 7. Minnesota Statutes 1988, section 290.191, subdivision 11, is amended to read:

Subd. 11. [FINANCIAL INSTITUTIONS; PROPERTY FACTOR.] (a) For financial institutions, the property factor includes, as well as tangible property, intangible property as set forth in this subdivision.

(b) Intangible personal property must be included at its tax basis for federal income tax purposes.

(c) Goodwill must not be included in the property factor.

(d) Coin and currency located in this state must be attributed to this state.

(e) Lease financing receivables must be attributed to this state if and to the extent that the property is located within this state.

(f) Assets in the nature of loans that are secured by real or tangible personal property must be attributed to this state if and to the extent that the security property is located within this state.

(g) Assets in the nature of consumer loans and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan was made to a resident of this state.

(h) Assets in the nature of commercial loan and installment obligations that are unsecured *by real or tangible personal property* or secured by intangible property must be attributed to this state if the ~~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 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~~ and syndication loans must be attributed under paragraphs (e) to (h).

(j) Financial institution credit card and travel and entertainment credit card receivables must be attributed to the state to which the credit card charges and fees are regularly billed.

(k) Receivables arising from merchant discount income derived from financial institution credit card holder transactions with a merchant are attributed to the state in which the merchant is located. In the case of merchants located within and without the state, only ~~receipts~~ *receivables* from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Assets in the nature of securities and money market instruments are apportioned to this state based upon the ratio that total deposits from this state, its residents, its political subdivisions, agencies and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies and instrumentalities. In the case of an unregulated financial institution, the assets are apportioned to this state based upon the ratio that its gross business income earned from sources within this state bears to gross business income earned from sources within all states. For purposes of this subsection, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities are attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(m) A financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is not included in the numerator or the denominator of the property factor provided the financial institution's activities within this state with respect to any interest in such property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b). If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the property factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (l).

Sec. 8. Minnesota Statutes 1988, section 290.371, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Every corporation that, during any calendar year or fiscal accounting year beginning after December 31, 1986, 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 (a); if the corporation is a financial institution; or~~

~~(2) activities described in section 290.015, subdivision 3, paragraph (b); or~~

~~(3) except corporations specifically exempted under subdivision 3 2, 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.~~

Subd. ~~3~~ 2. [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;

(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); ~~or~~

(5) *the corporation has a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31,*

1988.

Subd. 4-3. [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 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.

Subd. 5-4. [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, *except for issues related to its Minnesota tax liability*, 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 and property described in section 290.015, subdivision 3, paragraph (b), 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~~ *must* 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 acknowledgment:

- (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. 9. Laws 1988, chapter 719, article 2, section 57, is amended to read:

Sec. 57. [EFFECTIVE DATE.]

Sections 1, 4, and 5 are effective January 1, 1988. Sections 7, 8, 9, 11, clause (13), 31, and 40 are effective for taxable years beginning after December 31, 1990, except that sections 7, 8, 9, 11, clause (13), and 40 are effective for taxable years beginning after December 31, 1989, insofar as they apply to 936 corporations *and sections 7 and 8 are effective for taxable years beginning after December 31, 1988, insofar as they apply to royalties, fees, or other like income as described in section 12, clause (11)*. In this section, "936 corporations" are corporations referred to in section 9, clause (2)(ii). Sections 12, clause (11), 14, 26, 33, and 56, paragraph (c), are effective for taxable years beginning after December 31, 1988. Sections 2, 3, 32, 36, 37, and 38 are effective for taxable years beginning after December 31, 1987. Section 30, paragraphs (f), (g), (h), and (j) are effective for taxable years beginning after December 31, 1990, except that insofar as they apply to 936 corporations, they are effective for

taxable years beginning after December 31, 1989. Sections 29, in its reference to section 290.17, subdivision 4, paragraph (i), and 30, paragraph (i), are effective for taxable years beginning after *December 31, 1987, in its application to dividends, for taxable years beginning after December 31, 1988, in its application to income described in section 290.01, subdivision 19d, clause (11), for taxable years beginning after December 31, 1989, in its application to other income of 936 corporations a deemed dividend from a 936 corporation, and for taxable years beginning after December 31, 1990, in its application to other income of foreign operating corporations deemed dividends.* Section 30, paragraph (k) is effective for taxable years beginning after December 31, 1987. *As used in this section, a "deemed dividend" has the meaning described in section 30, paragraph (g).*

Sections 10, 11, clauses (2) and (3), 12, except for clause (11), 13, 15 to 18, 20, 21, 23, 25, 29 insofar as it refers to companies subject to the occupation tax, 34, 35, 39, 41 to 49, and 56, paragraph (d), are effective for taxable years beginning after December 31, 1986. Section 22 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 27 is effective for taxable years beginning after December 31, 1986, except that the part relating to the allowance of a net operating loss incurred in 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 28 is effective for losses incurred in taxable years beginning after December 31, ~~1986~~ 1987, and is repealed effective for taxable years beginning after December 31, 1993. Sections 6, 50, and 55 are effective the day following final enactment. Sections 51 and 52 are effective for ores mined after December 31, 1989. Section 53 is effective for ores mined after December 31, 1986, and before January 1, 1990. Section 54 is effective for ore mined after December 31, 1986. Section 56, paragraph (a), is effective for ores mined after December 31, 1989. Section 56, paragraph (b), is effective for ores mined after December 31, 1986, and supersedes the repealer in Laws 1987, chapter 268, article 9, section 43.

Sec. 10. [REPEALER.]

*Minnesota Statutes 1988, section 52.22, is repealed.*

Sec. 11. [EFFECTIVE DATE.]

*Sections 1 to 8 are effective for taxable years beginning after December 31, 1986, except that the elimination of clause (1) in section 290.371, subdivision 1, is effective for taxable years beginning after December 31, 1988."*

Delete the title and insert:

"A bill for an act relating to taxation; making technical corrections to the property taxation of unmined iron ore; making technical corrections and clarifications to the corporate franchise tax; retroactively providing a corporate franchise tax modification for mining income or gains; clarifying the computation of mining occupation taxes; exempting S corporations from business activity report filing requirements; repealing an obsolete reference; amending Minnesota Statutes 1988, sections 273.1104, subdivision 2; 290.01, subdivision 19d; 290.015, subdivisions 2, 3, and 4; 290.092, subdivisions 2 and 4a; 290.191, subdivisions 6 and 11; 290.371;

298.01, subdivisions 3, 4, and by adding subdivisions; and Laws 1988, chapter 719, article 2, section 57; repealing Minnesota Statutes 1988, section 52.22.”

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. 205: A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for use of radio equipment in the vehicles; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; exempting liquor used in law enforcement training; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; repealing the Minnesota unfair cigarette sales act; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.54; 168.011, by adding a subdivision; 168.012, subdivision 1, and by adding a subdivision; 270.06; 297.04, subdivision 9; 297.041, subdivisions 1, 2, and 4; 297.06, subdivision 3; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297C.02, subdivision 4; 297C.07; 299C.37, subdivision 1; 297D.13, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 325D.30; 325D.31; 325D.32; 325D.33; 325D.34; 325D.35; 325D.36; 325D.37; 325D.38; 325D.39; 325D.40; 325D.42; and 477A.018.

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

Page 3, after line 32, insert:

“Sec. 3. Minnesota Statutes 1988, section 69.011, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATION FOR FIRE OR POLICE STATE AID.] (a) In order to qualify to receive fire state aid, on or before ~~July~~ *March 15*, annually, in conjunction with the financial report required pursuant to section 69.051, the clerk of each municipality having a duly organized fire department as provided in subdivision 4, or the secretary of each independent nonprofit firefighting corporation having a subsidiary incorporated firefighters' relief association whichever is applicable, and the fire chief, shall jointly certify the existence of the municipal fire department or of the independent nonprofit firefighting corporation, whichever is applicable, which meets the minimum qualification requirements set forth in this subdivision, and the fire personnel and equipment of the municipal fire department or the independent nonprofit firefighting corporation as of the preceding December 31. Certification shall be made to the commissioner on a form

prescribed by the commissioner and shall include any other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original. The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before ~~July~~ *March 15* annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by the commissioner together with the other facts the commissioner or auditor may require.

On or before ~~July~~ *March 15* annually, the clerk of each municipality and the auditor of each county employing one or more peace officers as defined in subdivision 1, clause (h), shall certify the number of such peace officers to the commissioner on forms prescribed by the commissioner. Credit for officers employed less than a full year shall be apportioned. Each full month of employment of a qualifying officer during the calendar year shall entitle the employing municipality or county to credit for 1/12 of the payment for employment of a peace officer for the entire year. For purposes of sections 69.011 to 69.051, employment of a peace officer shall commence when the peace officer is entered on the payroll of the respective municipal police department or county sheriff's department. No peace officer shall be included in the certification of the number of peace officers by more than one municipality or county for the same month."

Page 4, line 16, delete "*means*" and insert "*includes*" and delete "*a state agency*" and insert "*the department of revenue*"

Page 4, line 19, delete "*a state agency*" and insert "*the department of revenue*"

Page 8, line 4, strike "To"

Page 9, line 4, delete "*and*"

Page 9, line 5, reinstate the stricken language

Page 9, line 6, reinstate the stricken "*, the Minnesota unfair cigarette sales*" and before the reinstated comma, insert " *325D.30 to 325D.42*"

Page 9, line 7, reinstate the stricken "*act*" and after the stricken period, insert "*; and*

*(17)*"

Page 9, line 9, delete the second "*The*"

Page 9, delete lines 10 and 11

Page 9, delete section 8 and insert:

"Sec. 9. Minnesota Statutes 1988, section 270.60, is amended to read:  
270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the Indian residents of a reservation into the state treasury, or for an amount which measures the economic value of an agreement by the council

to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes.

*The commissioner of revenue is also authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota, for refund of a mutually agreed upon amount of the cigarette taxes collected from sales on reservations or trust lands of an Indian tribe to the established governing body of the tribe having jurisdiction over the reservation or trust land on which the sale is made.*

There is annually appropriated from the general fund to the commissioner of revenue the amounts necessary to make the refunds provided in this section.

Sec. 10. Minnesota Statutes 1988, 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. 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 1986, as amended through December 31, 1983 1988.

(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.”

Page 11, delete section 12

Page 13, line 11, delete “2” and insert “1”

Page 15, line 33, after the period, insert “*This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.*”

Page 16, line 27, after the period, insert “*This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5.*”

Page 16, line 32, strike “and” and after the stricken “and” insert “*for which registration is required by chapter 168. Motor vehicle*”

Page 16, line 35, strike everything after “rails”

Page 16, line 36, strike “is required by chapter 168,” and delete “or” and insert “*and motor vehicles*”

Page 17, line 2, delete the comma

Page 17, line 3, strike “but not including” and insert “. *“Motor vehicle” does not include snowmobiles,*” and after “trailers” insert a comma

Page 17, after line 14, insert:

“Sec. 24. Minnesota Statutes 1988, section 297B.03, is amended to read:  
297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.25, subdivision 18.

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of ~~1954~~ 1986, as amended through December 31, ~~1974~~ 1988.

(5) Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state



does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) Purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution.”

Pages 20 and 21, delete section 26

Page 21, after line 21, insert:

“Sec. 30. Minnesota Statutes 1988, section 325D.32, subdivision 10, is amended to read:

Subd. 10. (a) “Cost to wholesaler” means the basic cost of the cigarettes, prior to deducting manufacturer’s timely payment and stamping discounts and any other discounts or rebates, plus the cost of doing business by the wholesaler, as defined in sections 325D.30 to 325D.42.

(b) The cost of doing business by the wholesaler is presumed to be four percent of the basic cost of the cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler, in the absence of proof of a lesser or higher cost. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost.

(c) *A wholesaler electing to sell cigarettes at a price other than that presumed by law must submit to the commissioner documentation substantiating the actual cost of the cigarettes before selling at actual cost. For purposes of this paragraph “actual cost” means basic cost as defined in subdivision 9 plus the wholesaler’s cost of doing business. The commissioner shall review the documents submitted and, if necessary, request additional documentation to verify the accuracy of the cost computations. If, within 15 days of submission of the documentation, the commissioner has not notified the wholesaler of any deficiencies in the cost computations, the wholesaler may begin selling at actual cost. The cost computations are effective for a period of not more than 12 months beginning 15 days after submission of the documentation. Fifteen days before expiration of the 12-month period, the wholesaler must submit new cost documentation for review by the commissioner to continue selling at less than the price presumed by law. New cost documentation must also be submitted to the commissioner on the last day of a month in which the basic cost of cigarettes increases.*

Sec. 31. Minnesota Statutes 1988, section 325D.37, is amended by adding a subdivision to read:

*Subd. 3. Before selling cigarettes at a price set in good faith to meet competition, a wholesaler shall contact the commissioner to verify that a competitor has met the requirements of section 325D.32, subdivision 10, or that a competitor has contacted the commissioner under this subdivision in response to a wholesaler who has met the requirements of section 325D.32, subdivision 10.*

Sec. 32. [325D.415] [CIGARETTE DISTRIBUTOR FEES.]

*A cigarette distributor as defined in section 297.01, subdivision 7, shall pay to the commissioner an annual fee equal to 18 cents multiplied by the number of cases of cigarettes sold in Minnesota by the distributor during the 12 months preceding the date of application for a license under section*

297.04 or, in the case of a distributor that has not been a licensed distributor prior to the date of application, a fee of \$100.

*The annual fee must be paid at the time of licensing under chapter 297 and is a condition of the licensing. The annual fee must be deposited into a fund established for the enforcement of the Minnesota unfair cigarette sales act and is annually appropriated to the department of revenue for that purpose.*"

Page 22, after line 23, insert:

"Sec. 35. [CONTINUATION OF EFFECT.]

*The repeal of Minnesota Statutes, sections 477A.018 and 477A.019, in this act shall be deemed to be a part of a repeal and reenactment under Laws 1987, chapter 291, with the effect provided in Minnesota Statutes, section 645.37. A statutory or home rule charter city, county, or town ordinance, resolution, or vote to impose a tax under Minnesota Statutes 1988, section 477A.018, may continue in effect under the terms of Minnesota Statutes, section 469.190.*

Sec. 36. [COMPLEMENT INCREASE.]

*The special taxes division of the department of revenue is given a complement of three positions for the enforcement of sections 325D.30 to 325D.42."*

Page 22, line 25, delete "(a)"

Page 22, line 27, delete "and" and before the comma, insert " ; and 477A.019"

Page 22, delete lines 29 to 31

Page 22, line 33, delete "28" and insert "29" and after the period, insert "*Section 3 is effective for reports filed in 1990 and thereafter. Section 9 is retroactively effective July 1, 1988. Section 17 is retroactively effective June 1, 1988. Sections 20 and 21 are effective for all sales made after June 30, 1989, but do not apply to sales of tangible personal property made pursuant to bona fide written contracts that were enforceable before July 1, 1989, and delivery is made on or before December 31, 1989. Sections 1, 2, 4 to 8, 10 to 16, 18, 19, 22 to 28, 30 to 34, 36, and 37 are effective July 1, 1989. Section 35 is effective August 1, 1987.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "excise taxes," insert "gasoline and special fuel taxes,"

Page 1, delete line 9

Page 1, line 16, delete everything after the semicolon

Page 1, line 17, delete everything before the semicolon and insert "requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; imposing cigarette distributor fees; appropriating money"

Page 1, line 19, after "3;" insert "69.011, subdivision 2;"

Page 1, line 21, delete "297.04, subdivision 9" and insert "270.60; 296.18, subdivision 1"

Page 1, line 22, delete "297.06, subdivision 3;"

Page 1, line 25, after "1;" insert "297B.03;"

Page 1, line 26, delete "299C.37, subdivision 1;"

Page 1, line 27, after the first semicolon, insert "325D.32, subdivision 10; 325D.37, by adding a subdivision;"

Page 1, line 29, delete "and"

Page 1, line 30, after "297D" insert ", and 325D"

Page 1, lines 33, delete everything after "297A.253;"

Page 1, delete lines 34 and 35 and insert "477A.018; and 477A.019."

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 62: A bill for an act relating to taxation; making technical corrections and clarifications to individual income and corporate franchise taxes; updating references to the Internal Revenue Code; imposing a tax and providing for withholding of certain payments to nonresidents; requiring surety payment by out-of-state contractors; amending Minnesota Statutes 1988, sections 290.01, subdivisions 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 19f; 290.06, subdivision 22; 290.067, subdivision 1; 290.0802, subdivision 2; 290.095, subdivision 9; 290.17, subdivision 1; 290.92, by adding subdivisions; and 291.005, subdivision 1; proposing coding for new law in chapter 290; repealing Minnesota Statutes 1988, section 290.01, subdivision 6a.

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

Page 1, line 21, strike "851(q)" and insert "851(h)"

Page 3, line 1, strike "851(q)" and insert "851(h)"

Page 4, lines 15, 24, and 26, strike "of 1986"

Page 4, line 25, strike "851(q)" and insert "851(h)"

Page 5, line 5, after "*chapter*" insert ", *except that any such interest, expenses, or taxes shall remain deductible in the year paid or accrued in the case of any such interest, expenses, or taxes which pursuant to the terms of an escrow agreement with a trustee purchased or caused to be purchased United States obligations prior to January 1, 1989, and pursuant to the terms of the escrow agreement neither the partnership nor its partners have a power to sell or dispose of said obligations, provided that a taxpayer who claims to qualify for this exception from the addition under this clause should provide information required by the commissioner to verify eligibility for this exception with the tax return on which the deduction is claimed*"

Page 6, line 12, strike the second "of"

Page 6, line 13, strike "1986, as amended through December 31, 1987"

Page 7, lines 14, 17, 21, 25, 31, and 34, strike "of 1986"

Page 8, line 1, strike "of 1986"

Page 8, line 3, strike the second "of"

Page 8, line 4, strike "1986"

Page 9, lines 10 and 33, strike "of 1986"

Page 11, line 28, strike "of 1986"

Page 12, lines 8, 12, 24, 28, and 35, strike "of 1986"

Page 13, lines 8 and 14, strike "of 1986"

Page 14, line 35, strike the second "of"

Page 14, line 36, strike "1986"

Page 15, line 4, strike "of 1986"

Page 15, after line 22, insert:

"Sec. 10. Minnesota Statutes 1988, 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:

if taxable income is:	the tax is:
not over \$19,000	6 percent
over \$19,000	\$1,140 plus 8 percent of the excess over \$19,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$75,500, but not over \$165,000	0.5 percent of the excess over \$75,500
over \$165,000	\$447.50.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts. *In the case of married individuals filing separately, the additional 0.5 percent tax provided in this subdivision shall be applied to taxable income over \$37,750, but not over \$127,500.*

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$13,000	6 percent
over \$13,000	\$780 plus 8 percent of the excess over \$13,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$42,700, but not	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, 1987, must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$16,000	6 percent
over \$16,000	\$960 plus 8 percent
	of the excess over \$16,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$64,300, but not	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 federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1987, 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, 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."

Page 16, line 9, after "(1)" insert a comma

Page 17, line 21, delete "*client*" and insert "*child*"

Page 17, after line 25, insert:

*"If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit shall be allowed for any amount paid to any person unless:*

*(1) the name, address, and taxpayer identification number of such person are included on the return claiming the credit; or*

*(2) if such person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of such person are included on the return claiming the credit.*

*In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required."*

Page 17, after line 32, insert:

"Sec. 13. Minnesota Statutes 1988, section 290.0802, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Adjusted gross income" means federal adjusted gross income as used in section 22(d) of the Internal Revenue Code for the taxable year plus the ordinary income portion of a lump sum distribution as defined in section 407(e) 402(e) of the Internal Revenue Code.

(b) "Disability income" means disability income as defined in section 22(c)(2)(B)(iii) of the Internal Revenue Code.

(c) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1987.

(d) "Nontaxable retirement and disability benefits" means the amount of pension, annuity, or disability benefits that would be included in the reduction under section 22(c)(3) of the Internal Revenue Code, but excluding tier one railroad retirement benefits.

(e) "Qualified individual" means a qualified individual as defined in section 22(b) of the Internal Revenue Code."

Page 18, line 32, delete the comma

Page 18, line 33, delete "290.49,"

Page 18, line 36, delete ", 290.49,"

Page 19, line 34, after "to" insert "*income*."

Page 20, line 25, delete "*and shall be treated as income*" and insert a period

Page 20, delete lines 26 to 28

Page 22, after line 24, insert:

“Sec. 18. Minnesota Statutes 1988, section 290.311, subdivision 1, is amended to read:

Subdivision 1. [PARTNERS.] (a) Partner's modifications. In determining gross income and Minnesota taxable income of a partner, any modification described in section 290.01, subdivisions ~~20 19~~ to ~~20f 19f~~, which relates to an item of partnership income, gain, loss or deduction shall be made in accordance with the partner's distributive share, for federal income tax purposes, of the item to which the modification relates.

(b) Character of items. Each item of partnership income, gain, loss, or deduction shall have the same character for a partner under this section which it has for federal income tax purposes. Where an item is not characterized for federal income tax purposes, it shall have the same character for a partner as if realized directly from the source from which realized by the partnership, or incurred in the same manner as incurred by the partnership.

(c) Minnesota tax avoidance or evasion. Where a partner's distributive share of an item of partnership income, gain, loss or deduction is determined for federal income tax purposes by special provision in the partnership agreement with respect to such item, and where the effect of such provision is the avoidance or evasion of tax under this section, the partner's distributive share of such item, and any modifications required with respect thereto shall be determined as if the partnership agreement made no special provision with respect to such item.”

Page 22, line 30, after “*nonresident*” insert “*individual*”

Page 23, line 5, delete “*for*” and insert a period

Page 23, delete lines 6 to 8

Page 23, line 9, delete everything before “*The*”

Page 23, line 11, delete “*last*”

Page 23, delete line 12 and insert “*due date specified for filing the partnership return under section 290.42.*”

Page 23, line 17, after the period, insert “*The commissioner may reduce or abate the tax withheld under this subdivision if the partnership had reasonable cause to believe that no tax was due under this section.*”

Page 23, delete lines 20 and 21 and insert “*if*”:

(1) *the partner elects to have the tax due paid as part of the partnership's composite return under section 290.39, subdivision 5;*

(2) *the partner has Minnesota assignable federal adjusted gross income from the partnership of less than \$1,000; or*

(3) *the partnership is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year.”*

Page 23, line 30, after “*nonresident*” insert “*individual*”

Page 24, line 7, delete “*for*” and insert a period

Page 24, delete lines 8 to 10

Page 24, line 11, delete everything before “*The*”

Page 24, line 14, delete “*last day of the month following the close of*

the year” and insert “*due date specified for filing the corporate income tax return under section 290.42*”

Page 24, delete lines 22 to 24 and insert “*shareholder, if:*

(1) *the shareholder elects to have the tax due paid as part of the corporation's composite return under section 290.39, subdivision 5;*

(2) *the shareholder has Minnesota assignable federal adjusted gross income from the corporation of less than \$1,000; or*

(3) *the corporation is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year.”*

Pages 24 and 25, delete section 18

Page 25, line 29, delete “, *Wisconsin, North*”

Page 25, line 30, delete “*Dakota, or Michigan*” and insert “*or a state with which Minnesota has a reciprocal agreement under section 290.081*”

Page 25, line 32, after “*includes*” insert “, *but is not limited to,*”

Page 25, line 36, delete “*contract*” and insert “*contractor*”

Page 28, line 3, after “*corporation*” insert “*as defined in Minnesota Statutes 1986, section 290.01, subdivision 3,*”

Page 28, line 15, after “*if*” insert “(1)”

Page 28, line 19, after “297A” insert “, *or (2) the contractor has done construction work in Minnesota at any time during the three calendar years prior to entering the contract and has fully complied with all the provisions of chapters 290 and 297A for the three prior years*”

Page 31, line 9, delete “15” and insert “18”

Page 31, line 11, delete “16 to 19” and insert “19 to 21” and delete “20” and insert “22”

Page 31, line 13, delete “21” and insert “23”

Page 31, line 15, after the period, insert “*The part of section 17 pertaining to goodwill and covenants not to compete are only in effect on contracts entered into after the day of final enactment.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “*adjusting the rate of the tax on married individuals filing separately;*”

Page 1, line 10, delete the first “*subdivision*” and insert “*subdivisions 2c and*”

Page 1, line 11, delete the first “*subdivision*” and insert “*subdivisions 1 and*”

Page 1, line 12, delete “*subdivision 1*” and insert “*subdivisions 1 and 2; 290.311, subdivision 1*”

Page 1, line 14, after “*in*” insert “*Minnesota Statutes,*”

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 the following appointment as reported in the Journal for January 12, 1989:

**STATE OFFICE OF ADMINISTRATIVE HEARINGS  
CHIEF ADMINISTRATIVE LAW JUDGE**

William Brown

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. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred the following appointment as reported in the Journal for January 30, 1989:

**TAX COURT**

Earl Gustafson

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. 104, 382, 61 and 62 were read the second time.

**MOTIONS AND RESOLUTIONS**

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

Mr. Bertram moved that the name of Mr. Lessard be added as a co-author to S.F. No. 225. The motion prevailed.

Mr. Moe, D.M. moved that the name of Mr. Waldorf be added as a co-author to S.F. No. 307. The motion prevailed.

Ms. Berglin moved that the name of Mr. Novak be added as a co-author to S.F. No. 374. The motion prevailed.

Ms. Berglin moved that the name of Mr. Novak be added as a co-author to S.F. No. 379. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Frederick be added as a co-author to S.F. No. 401. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Novak be added as a co-author to S.F. No. 410. The motion prevailed.

Mr. Dahl moved that the name of Mr. Novak be added as a co-author to S.F. No. 415. The motion prevailed.

Mr. Dahl moved that the name of Mr. Novak be added as a co-author to S.F. No. 460. The motion prevailed.

Ms. Berglin moved that the name of Mr. Novak be added as a co-author to S.F. No. 493. The motion prevailed.

Mr. Berg moved that the names of Messrs. Gustafson and Vickerman be added as co-authors to S.F. No. 511. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Belanger be added as a co-author to S.F. No. 568. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Belanger be added as a co-author to S.F. No. 572. The motion prevailed.

Mr. Dahl moved that the name of Mr. Merriam be added as a co-author to S.F. No. 606. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 51: A Senate resolution congratulating KASM Radio, of Albany, Minnesota, for over 35 years of good broadcasting of Polka music.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.J. moved that S.F. No. 205 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

### CONSENT CALENDAR

S.F. No. 204: A bill for an act relating to elections; providing for the removal of certain voter registration cards; amending Minnesota Statutes 1988, section 201.13.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 215: A bill for an act relating to notaries public; increasing the period of time during which reappointments may be made; amending Minnesota Statutes 1988, section 359.02.

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

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. 101 and 227, which the committee recommends to pass.

S.F. No. 156, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Page 1, line 13, delete “, *the*”

Page 1, line 14, delete everything before “*or*”

Page 1, line 15, delete “*their*” and insert “*the governor’s*” and delete “*representatives,*” and insert “*representative*”

Page 1, line 21, delete everything after “*governor*”

Page 1, delete line 22 and insert “*or the governor’s designee*”

Page 1, line 23, delete “*designees,*”

Amend the title as follows:

Page 1, line 2, delete “, *the*”

Page 1, delete line 3

Page 1, line 4, delete “*senate*”

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.

Mr. Metzen introduced—

S.F. No. 622: A bill for an act relating to retirement; authorizing early unreduced retirement for certain legislative employees; amending Minnesota Statutes 1988, section 352.116, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Pehler, Ms. Peterson, D.C.; Messrs. Stumpf, Larson and Ms. Reichgott introduced—

S.F. No. 623: A bill for an act relating to libraries; increasing regional public library basic support grants for certain regional systems; appropriating money; amending Minnesota Statutes 1988, section 134.35, by adding a subdivision.

Referred to the Committee on Education.

Mr. Spear, Ms. Reichgott, Messrs. Ramstad and McGowan introduced—

S.F. No. 624: A bill for an act relating to civil actions; removing certain limitations on parental liability for thefts by minors; amending Minnesota Statutes 1988, section 332.51, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Beckman, Vickerman and Frederickson, D.J. introduced—

S.F. No. 625: A bill for an act relating to economic development; establishing a toll free provider referral system for small businesses; amending Minnesota Statutes 1988, section 116J.68, subdivision 2.

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 626: A bill for an act relating to alcoholic beverages; making illegal gifts of alcoholic beverages to minors subject to civil liability; requiring homeowner's insurance to cover this type of liability; amending Minnesota Statutes 1988, sections 65A.295; 340A.801, subdivisions 1 and 4; and 340A.802.

Referred to the Committee on Commerce.

Messrs. Samuelson, Vickerman, Mses. Peterson, D.C.; Berglin and Mr. Johnson, D.E. introduced—

S.F. No. 627: A bill for an act relating to juveniles; authorizing county welfare boards to collect fees for court-ordered treatment; amending Minnesota Statutes 1988, section 260.251, subdivision 1.

Referred to the Committee on Health and Human Services.

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

S.F. No. 628: A bill for an act relating to eminent domain; providing for relocation benefits for displaced persons; amending Minnesota Statutes 1988, section 117.52, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Stumpf, Pehler and Johnson, D.J. introduced—

S.F. No. 629: A bill for an act relating to highways; specific service signs; changing rural agricultural business to rural commercial business, and

specifying that the term includes certain types of businesses; amending Minnesota Statutes 1988, section 160.292, subdivisions 2 and 10; 160.293, subdivision 3; and 160.295, subdivision 5.

Referred to the Committee on Transportation.

Mr. Stumpf introduced—

S.F. No. 630: A bill for an act relating to groundwaters; establishing a cost-sharing program for the identification and sealing of certain unused water wells to protect groundwaters from pollution.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dicklich and Merriam introduced—

S.F. No. 631: A bill for an act relating to electric utilities; clarifying authority of public utilities commission to change boundaries of electric utility service areas; amending Minnesota Statutes 1988, section 216B.39, subdivisions 3, 5, and by adding a subdivision.

Referred to the Committee on Public Utilities and Energy.

Messrs. Samuelson, Belanger, Cohen and Solon introduced—

S.F. No. 632: A bill for an act relating to credit unions; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts; amending Minnesota Statutes 1988, sections 52.17, subdivision 1; and 52.24, subdivisions 1 and 2.

Referred to the Committee on Commerce.

Ms. Peterson, D.C. introduced—

S.F. No. 633: A bill for an act relating to data practices; providing for classification of law enforcement data on child abuse; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; and 626.556, subdivisions 11 and 11c.

Referred to the Committee on Judiciary.

Mr. Pehler, Ms. Peterson, D.C.; Messrs. Pogemiller, Morse and Mehrkens introduced—

S.F. No. 634: A bill for an act relating to education; proposing department of education initiatives in dropout prevention and youth community service; appropriating money; amending Minnesota Statutes 1988, sections 121.88, subdivisions 8 and 9; 123.39, by adding a subdivision; 124.223; 124.225; 124.271, by adding subdivisions; 126.22, subdivision 3; 126.23; 126.235; 275.125, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 125; repealing Minnesota Statutes 1988, section 124.271, subdivision 2b.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 635: A bill for an act relating to retirement; excluding members of the Andover volunteer fire department from membership in the public

employees retirement association.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 636: A bill for an act relating to highways; limiting construction on and acquisition of rights-of-way on interstate highways in metropolitan area; amending Minnesota Statutes 1988, section 161.123.

Referred to the Committee on Transportation.

Ms. Berglin, Messrs. Brandl, Vickerman, Ms. Piper and Mr. Storm introduced—

S.F. No. 637: A bill for an act relating to human services; allowing rate review for nursing homes in involuntary receivership; eliminating the exemption of certain allowable employee pension contributions from care-related cost limits and other operating cost limits; clarifying historical cost of capital assets and issuance costs; providing payment rate adjustments for nursing homes; allowing a one-time adjustment to comply with OBRA; amending Minnesota Statutes 1988, sections 144.50, by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144A.01, by adding subdivisions; 144A.04, subdivision 7, and by adding a subdivision; 144A.073, subdivision 1; 144A.10, by adding subdivisions; 144A.12, subdivision 1; 144A.15, subdivision 1, and by adding subdivisions; 144A.611; 256B.091, subdivision 3; 256B.25, by adding a subdivision; 256B.431, subdivisions 2c, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; and 256B.48, subdivision 6; Laws 1988, chapter 689, article 2, section 269, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; and 256B; repealing Minnesota Statutes 1988, section 144A.10, subdivision 4a.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Brandl, Vickerman, Ms. Piper and Mr. Storm introduced—

S.F. No. 638: A bill for an act relating to human services; allowing rate review for nursing homes in involuntary receivership; eliminating the exemption of certain allowable employee pension contributions from care-related cost limits and other operating cost limits; clarifying historical cost of capital assets and issuance costs; providing payment rate adjustments for nursing homes; allowing a one-time adjustment to comply with OBRA; amending Minnesota Statutes 1988, sections 144.50, by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 27; 144A.01, by adding a subdivision; 144A.04, subdivision 7, and by adding a subdivision; 144A.073, subdivision 1; 144A.10, subdivision 4a, and by adding subdivisions; 144A.12, subdivision 1; 144A.15, subdivision 1, and by adding subdivisions; 144A.611; 256B.091, subdivision 3; 256B.431, subdivisions 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; and 256B.48, subdivision 6; Laws 1988, chapter 689, article 2, section 269, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; and 256B.

Referred to the Committee on Health and Human Services.

Mr. Cohen introduced—

S.F. No. 639: A bill for an act relating to abandoned property; requiring written notice to owner; amending Minnesota Statutes 1988, section 345.41.

Referred to the Committee on Commerce.

Mr. Benson, Mrs. Pariseau, Messrs. Frederickson, D.R.; Frederick and Decker introduced—

S.F. No. 640: A bill for an act relating to workers' compensation; changing the definition of family farm; amending Minnesota Statutes 1988, section 176.011, subdivision 11a.

Referred to the Committee on Employment.

Messrs. Dahl, Merriam and Mrs. McQuaid introduced—

S.F. No. 641: A bill for an act relating to finance; appropriating money to the commissioner of public safety to develop fire safety standards for cigarettes and little cigars.

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

Mr. Taylor introduced—

S.F. No. 642: A bill for an act relating to education; appropriating money for a pilot project for science and mathematics teachers at Mankato State University.

Referred to the Committee on Education.

Messrs. Moe, R.D.; Marty; Ramstad and Spear introduced—

S.F. No. 643: A bill for an act relating to peace officers; establishing reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Local and Urban Government.

Mr. Pogemiller introduced—

S.F. No. 644: A bill for an act relating to medical assistance for needy persons; proposing changes to the method for calculating a nursing home's property-related payment rate upon refinancing; amending Minnesota Statutes 1988, section 256B.431, subdivisions 3f and 3g.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 645: A bill for an act relating to housing; requiring notice to tenants of the intent to sell certain subsidized housing units; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

Mr. Pogemiller introduced—

S.F. No. 646: A bill for an act relating to housing; requiring housing impact statements before displacement of certain low-income housing; requiring state government units to replace certain displaced low-income housing; providing for enforcement; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

Mr. Pogemiller introduced—

S.F. No. 647: A bill for an act relating to child support enforcement; permitting obligors to withdraw from the automatic withholding program; amending Minnesota Statutes 1988, section 518.613, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Novak; Morse; Johnson, D.J.; Davis and Bernhagen introduced—

S.F. No. 648: A bill for an act relating to taxation; property; clarifying the agricultural classification of certain property; amending Minnesota Statutes 1988, sections 273.111; and 273.13, subdivision 23.

Referred to the Committee on Taxes and Tax Laws.

Mr. Mehrkens introduced—

S.F. No. 649: A bill for an act relating to taxation; property tax; modifying the formula for computing transition aid; repealing disparity reduction aid; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2139; 273.1398, subdivisions 1, 5, and 6; 275.07, subdivision 1; and 276.04, subdivision 2; repealing Minnesota Statutes 1988, sections 273.1398, subdivision 3; and 275.08, subdivision 1c.

Referred to the Committee on Taxes and Tax Laws.

Mses. Piper, Berglin, Messrs. Solon, Marty and Spear introduced—

S.F. No. 650: A bill for an act relating to human services; setting a minimum level for the amount of assistance under the aid to families with dependent children program; amending Minnesota Statutes 1988, section 256.74, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Mehrkens; Johnson, D.E.; Frederickson, D.J.; Mrs. Pariseau and Mr. Langseth introduced—

S.F. No. 651: A bill for an act relating to workers' compensation; changing the definition of family farm; amending Minnesota Statutes 1988, section 176.011, subdivision 11a.

Referred to the Committee on Employment.



Mses. Reichgott, Piper, Messrs. Spear and Peterson, R.W. introduced—

S.F. No. 652: A bill for an act relating to the workers' compensation court of appeals; regulating salary, appointment, terms, confirmation, and qualifications of judges; requiring appointment of a chief judge; increasing staff; appropriating money; amending Minnesota Statutes 1988, sections 175A.01; 175A.02; 175A.05; and 175A.07, subdivision 2.

Referred to the Committee on Employment.

Messrs. Frederickson, D.J.; Langseth; Beckman; Johnson, D.E. and DeCramer introduced—

S.F. No. 653: A bill for an act relating to agriculture; requiring certain disposable waste containers to be degradable; requiring a minimum content of corn starch in certain disposable waste containers; amending Minnesota Statutes 1988, section 325E.045, subdivision 1, and by adding a subdivision.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Frederickson, D.J.; Davis; Beckman and Johnson, D.E. introduced—

S.F. No. 654: A bill for an act relating to county and district agricultural societies; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

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

S.F. No. 655: A bill for an act relating to agriculture; appropriating money for promoting the use of ethanol.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Berg; Lessard; Merriam; Peterson, R.W. and Bernhagen introduced—

S.F. No. 656: A bill for an act relating to appropriations; continuing funding for programs to control the spread of purple loosestrife; appropriating money.

Referred to the Committee on Finance.

Messrs. Morse, Kroening, Beckman, Storm and Ms. Reichgott introduced—

S.F. No. 657: A bill for an act relating to economic development; establishing a small business innovation research bridge grant program; appropriating money.

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 658: A bill for an act relating to education; appropriating money for grants for telecommunications networks.

Referred to the Committee on Education.

Messrs. Purfeerst; Peterson, R.W.; Bernhagen; Johnson, D.J. and DeCramer introduced—

S.F. No. 659: A bill for an act relating to motor vehicles; increasing and allocating fees and motor vehicle excise tax for dealer plates; restricting use of dealer plates; amending Minnesota Statutes 1988, section 168.27, subdivision 16.

Referred to the Committee on Transportation.

Mrs. Adkins, Messrs. Chmielewski, Frank and Ms. Piper introduced—

S.F. No. 660: A bill for an act relating to workers' compensation; providing a penalty for failure to obtain insurance; amending Minnesota Statutes 1988, section 176.181, subdivision 3.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 661: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Aitkin county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Cohen; Moe, D.M.; Pogemiller; Novak and Belanger introduced—

S.F. No. 662: A bill for an act relating to public safety; authorizing fire department access to criminal history data; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on Judiciary.

Messrs. Schmitz; Merriam; Freeman; Johnson, D.E. and Novak introduced—

S.F. No. 663: A bill for an act relating to municipal planning; authorizing municipalities to require the dedication of a reasonable portion of a proposed subdivision for use for fire service; amending Minnesota Statutes 1988, section 462.358, subdivision 2b.

Referred to the Committee on Local and Urban Government.

Ms. Berglin, Mr. Merriam, Mmes. Lantry, Brataas and Mr. Brandl introduced—

S.F. No. 664: A bill for an act relating to human services; providing for a supplementary payment for families who are adversely affected by the budgeting methods under the aid to families with dependent children program; amending Minnesota Statutes 1988, section 256.74, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Diessner, Vickerman, DeCramer and Purfeerst introduced—

S.F. No. 665: A bill for an act relating to motor vehicles; allowing second set of handicapped license plates to be issued to physically handicapped person who is furnished a vehicle as part of employment; allowing commissioner of public safety to accept photograph instead of physician's statement as evidence of physical handicap in certain circumstances; amending Minnesota Statutes 1988, sections 168.021, subdivision 1; and 169.345, subdivisions 2a and 3.

Referred to the Committee on Transportation.

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

S.F. No. 666: A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States to provide for a delay in an increase in compensation to members of Congress until an intervening election of representatives has occurred.

Referred to the Committee on Governmental Operations.

Messrs. Stumpf; Samuelson; Moe, R.D.; Ms. Piper and Mr. Decker introduced—

S.F. No. 667: A bill for an act relating to human services; providing for full reimbursement to counties for human services programs for the Red Lake Indian Reservation; appropriating money.

Referred to the Committee on Finance.

Messrs. Stumpf; Samuelson; Moe, R.D.; Freeman and Decker introduced—

S.F. No. 668: A bill for an act relating to employment; providing funding for the Bemidji Area Indian Employment Council; appropriating money.

Referred to the Committee on Finance.

Messrs. Stumpf; Langseth; Moe, R.D. and Decker introduced—

S.F. No. 669: A bill for an act relating to education; appropriating money to continue programs at the Northern Coalition Teacher Center.

Referred to the Committee on Finance.

Messrs. Stumpf, Langseth and Decker introduced—

S.F. No. 670: A bill for an act relating to education; expanding the list of those whose home may be considered the residence of a pupil for transportation aid; amending Minnesota Statutes 1988, section 124.223.

Referred to the Committee on Education.

Messrs. Waldorf; Moe, D.M. and Mehrkens introduced—

S.F. No. 671: A bill for an act relating to the commission on uniform state laws; providing for its composition; amending Minnesota Statutes 1988, section 3.251.

Referred to the Committee on Governmental Operations.

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

S.F. No. 672: A bill for an act relating to utilities; telephone company billing practices; prohibiting billing in advance for service; amending Minnesota Statutes 1988, section 325E.02.

Referred to the Committee on Public Utilities and Energy.

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

S.F. No. 673: A bill for an act relating to game and fish; authorizing elderly residents to take fish by spearing without a license; amending Minnesota Statutes 1988, section 97A.451, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 674: A bill for an act relating to game and fish; restricting bear hunting guide licenses to residents only; amending Minnesota Statutes 1988, section 97B.431; repealing Minnesota Statutes 1988, section 97A.475, subdivision 17.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller, Spear, Ms. Peterson, D.C.; Messrs. McGowan and Marty introduced—

S.F. No. 675: A bill for an act relating to crime; expanding the crime of failure to appear for a criminal court appearance; providing that the county attorney has jurisdiction to prosecute the crime; prescribing penalties; amending Minnesota Statutes 1988, sections 388.051, subdivision 2; and 609.49.

Referred to the Committee on Judiciary.

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

S.F. No. 676: A bill for an act relating to agriculture; changing voting rights in certain cooperative associations; amending Minnesota Statutes 1988, section 308.07, subdivision 4.

Referred to the Committee on Agriculture and Rural Development.

Mr. DeCramer introduced—

S.F. No. 677: A bill for an act relating to transportation; motor carriers; creating a legislative commission to study the regulation of irregular route carriers; deferring enforcement of Minnesota Statutes, chapter 221, and related rules with respect to irregular route carriers.

Referred to the Committee on Transportation.

Mr. DeCramer introduced—

S.F. No. 678: A bill for an act relating to veterans; providing for establishment of a veterans home in Luverne; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Bernhagen and Frank introduced—

S.F. No. 679: A bill for an act relating to economic development; authorizing a certified development company to contract for services or employ employees; providing a loan review procedure; amending Minnesota Statutes 1988, section 41A.065, subdivisions 1, 6, 8, and by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Benson, Frederick, Gustafson and Bernhagen introduced—

S.F. No. 680: A bill for an act relating to workers' compensation; increasing maximum burial expense benefits; providing for certain death benefits; amending Minnesota Statutes 1988, sections 176.111, subdivision 18; and 176.129, subdivision 2.

Referred to the Committee on Employment.

Mr. Beckman, Ms. Piper and Mr. Frank introduced—

S.F. No. 681: A bill for an act relating to housing; changing terminology in the temporary housing demonstration program; extending the authorized duration of transitional housing; providing for an annual report to the legislature; amending Minnesota Statutes 1988, section 268.38, subdivisions 1, 2, 4, 8, 11, and 12.

Referred to the Committee on Economic Development and Housing.

Ms. Berglin introduced—

S.F. No. 682: A bill for an act relating to crime; including controlled substance offenses in the evidentiary provision of the disorderly house crime; amending Minnesota Statutes 1988, section 609.33, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Solon, Chmielewski and Gustafson introduced—

S.F. No. 683: A bill for an act relating to the Western Lake Superior Sanitary District; authorizing the district to issue refunding obligations without redemption of outstanding obligations prior to maturity; amending Laws 1971, chapter 478, section 9a, subdivision 4, as added; and section 13, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Messrs. Peterson, R. W.; Vickerman; Beckman; Bernhagen and DeCramer introduced—

S.F. No. 684: A bill for an act relating to commerce; 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 and Rural Development.

Messrs. Solon, Chmielewski and Gustafson introduced—

S.F. No. 685: A bill for an act relating to the environment; appropriating money for the Western Lake Superior Sanitary District; authorizing sale of state bonds.

Referred to the Committee on Environment and Natural Resources.

Messrs. Knaak; Luther; Moe, R.D.; Spear and Benson introduced—

S.F. No. 686: A resolution memorializing the President and Congress to condemn the government of Iran because of its action against Salman Rushdie and to refuse efforts to return frozen Iranian assets to Iran.

Referred to the Committee on General Legislation and Public Gaming.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### **MOTIONS AND RESOLUTIONS**

Mr. Bernhagen moved that S.F. No. 432 be withdrawn from the Committee on Agriculture and Rural Development 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, February 23, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FIFTEENTH DAY

St. Paul, Minnesota, Thursday, February 23, 1989

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

Prayer was offered by the Chaplain, Rev. Phillip Berg.

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

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

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. Davis, Frederick and Gustafson were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 30, 1989

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:

William Bryson, R.R. 2, Box 181, Alden, Freeborn County, has been

appointed by me, effective January 30, 1989, for a term expiring the first Monday in January, 1993.

Daniel D. Foley, M.D., 1581 Tamberwood Trail, Woodbury, Washington County, has been appointed by me, effective January 30, 1989, for a term expiring the first Monday in January, 1993.

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

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. 28: 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.

Senate File No. 28 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 20, 1989

### CONCURRENCE AND REPASSAGE

Ms. Reichgott moved that the Senate concur in the amendments by the House to S.F. No. 28 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 28 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 47 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knutson	Morse	Renneke
Belanger	DeCramer	Lantry	Novak	Solon
Benson	Dicklich	Larson	Pariseau	Spear
Berg	Diessner	Lessard	Peterson, D.C.	Storm
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Stumpf
Bernhagen	Frederickson, D.R.	Marty	Piper	Taylor
Brandl	Freeman	Mehrkens	Pogemiller	Vickerman
Brataas	Hughes	Merriam	Purfeerst	
Cohen	Johnson, D.E.	Moe, D.M.	Ramstad	
Dahl	Knaak	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Adkins	Frank	Langseth	Metzen	Samuelson
Beckman	Johnson, D.J.	McGowan	Olson	Schmitz
Bertram	Laidig	McQuaid	Pehler	Waldorf
Chmielewski				

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 File, herewith transmitted: H.F. No. 326.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 20, 1989

**FIRST READING OF HOUSE BILLS**

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

H.F. No. 326: A bill for an act relating to human services; requiring nursing homes to fully participate in Medicare for medical assistance participation; defining full participation; providing residents with the right to refuse a transfer; amending Minnesota Statutes 1988, section 256B.48, subdivision 6.

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. 243. The motion prevailed.

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

S.F. No. 339: A bill for an act relating to health; including anabolic steroids in the list of controlled substances; amending Minnesota Statutes 1988, section 152.02, subdivision 5.

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

Page 1, lines 17 and 18, delete "*promoting constructive metabolism*"

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. 112: A bill for an act relating to vocational rehabilitation; changing term "extended employment plan participants" to "workers"; amending Minnesota Statutes 1988, section 129A.08, subdivision 4.

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. 511: A bill for an act relating to workers' compensation; expanding the family farm exclusion from workers' compensation coverage; amending Minnesota Statutes 1988, section 176.011, subdivision 11a.

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

Page 1, line 14, delete "\$250,000" and insert "\$300,000"

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes 1988, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to any of the following:

(a) a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law;

(b) a person, *except a migrant worker as defined under section 181.85*, employed by a family farm as defined by section 176.011, subdivision 11a;

(c) the spouse, parent, and child, regardless of age, of a farmer-employer working for the farmer-employer;

(d) a sole proprietor, or the spouse, parent, and child, regardless of age, of a sole proprietor;

(e) a partner engaged in a farm operation or a partner engaged in a business and the spouse, parent, and child, regardless of age, of a partner in the farm operation or business;

(f) an executive officer of a family farm corporation;

(g) an executive officer of a closely held corporation having less than 22,880 hours of payroll in the preceding calendar year, if that executive officer owns at least 25 percent of the stock of the corporation;

(h) a spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, and employed by that family farm corporation;

(i) a spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation who is referred to in paragraph (g);

(j) another farmer or a member of the other farmer's family exchanging work with the farmer-employer or family farm corporation operator in the same community;

(k) a person whose employment at the time of the injury is casual and not in the usual course of the trade, business, profession, or occupation of the employer;

(l) persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 except that this exclusion does not apply to an employee of an independent contractor;

(m) an officer or a member of a veterans' organization whose employment

relationship arises solely by virtue of attending meetings or conventions of the veterans' organization, unless the veterans' organization elects by resolution to provide coverage under this chapter for the officer or member;

(n) a person employed as a household worker in, for, or about a private home or household who earns less than \$1,000 in cash in a three-month period from a single private home or household provided that a household worker who has earned \$1,000 or more from the household worker's present employer in a three-month period within the previous year is covered by this chapter regardless of whether or not the household worker has earned \$1,000 in the present quarter;

(o) persons employed by a closely held corporation who are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to an officer of the corporation, who is referred to in paragraph (g), if the corporation files a written election with the commissioner to exclude such individuals. A written election is not required for a person who is otherwise excluded from this chapter by this section;

(p) a nonprofit association which does not pay more than \$1,000 in salary or wages in a year;

(q) persons covered under the Domestic Volunteer Service Act of 1973, as amended, United States Code, title 42, sections 5011, et. seq."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing coverage to all migrant workers under the workers' compensation law;" and delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 176.041, 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. 315: A bill for an act relating to crime victims; modifying the limitations provision governing damage actions brought by sexual assault victims; requiring that victims of crimes against the person be informed of the conditions governing the convicted offender's release from confinement and the identity of the corrections agent supervising the offender; requiring that sexual assault victims be notified when the alleged sex offender is released from pretrial detention; amending Minnesota Statutes 1988, sections 541.07; and 611A.06; proposing coding for new law in Minnesota Statutes, chapters 541 and 629.

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

Page 1, line 19, before "or" insert "*section 148A.06,*"

Page 3, line 3, delete "*either*"

Page 3, line 4, delete everything before the second "*time*"

Page 3, line 6, delete "*, whichever is later*"

Page 3, line 9, delete "*custodial*" and delete "*of a minor complainant of sexual*"

Page 3, line 10, delete “*abuse*” and delete “*the*” and insert “*a*” and after the period, insert “*This section does not affect the suspension of the statute of limitations during a period of disability under section 541.15.*”

Page 3, line 11, delete “*a violation*” and insert “*conduct described in*”

Page 3, line 12, delete “*of any provision of*”

Pages 3 and 4, delete section 3 and insert:

“Sec. 3. Minnesota Statutes 1988, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. [PLEA AGREEMENTS; NOTIFICATION OF VICTIM.] Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(a) The contents of the plea agreement recommendation, *including the amount of time recommended for the defendant to serve in jail or prison if the court accepts the agreement*; and

(b) The right to be present at the sentencing hearing and to express in writing any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court.

Sec. 4. Minnesota Statutes 1988, section 611A.06, is amended to read:

611A.06 [RIGHT TO NOTICE OF RELEASE.]

The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release, or released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18, prior to the release if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. ~~A written request for notice submitted under this section is private data on individuals as defined in section 13.02, subdivision 12.~~ *The notice given to a victim of a crime against a person must include the conditions governing the offender's release, and either the identity of the corrections agent who will be supervising the offender's release or a means to identify the court services agency that will be supervising the offender's release.* The commissioner or other custodial authority complies with this section upon mailing the notice of impending release to the victim at the address which the victim has most recently provided to the commissioner or authority in writing. All identifying information regarding the victim, including the victim's request and the notice provided by the commissioner or custodial authority, is classified as private data on individuals as defined in section 13.02, subdivision 12, and is accessible only to the victim.

*As used in this section, “crime against the person” means a crime listed in section 611A.031.”*

Page 4, after line 27, insert:

“Sec. 6. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment and*

*apply to actions pending on or commenced on or after that date.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the first semicolon, insert "611A.03, 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

H.F. No. 95: A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

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

Pages 1 and 2, delete section 1

Page 3, delete lines 11 to 14

Page 3, delete "Section" and insert "Sec."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete line 4

Page 1, line 5, delete "and witness account;"

Page 1, lines 12 and 13, delete "345.48, subdivision 1;"

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. 218: A bill for an act relating to health; amending the bill of rights for patients and residents of health facilities; requiring health facilities to notify family members of the admission of a patient or resident under certain circumstances; amending Minnesota Statutes 1988, section 144.651, subdivision 10.

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

Page 1, line 24, after "efforts" insert "as required under paragraph (c)"

Page 2, line 8, delete "If the"

Page 2, delete lines 9 to 16 and insert:

*“(c) In making reasonable efforts to notify a family member, the facility shall attempt to identify family members by examining the personal effects of the patient or resident and the medical records of the patient or resident in the possession of the facility. If the facility is unable to notify a family member within 24 hours after the admission, the facility shall notify the county social service agency or local law enforcement agency that the patient or resident has been admitted and the facility has been unable to notify a family member.”*

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. 493: A bill for an act relating to juvenile court; expanding the definition of child in need of protection or services; expanding the child hearsay exception to include statements regarding the abuse or neglect of another child witnessed by the child making the statement; clarifying the authority of the court to order the temporary removal of a child due to immediate endangerment; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.156; and 260.172, subdivision 1.

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

Page 1, line 22, delete “*been residing*” and insert “*resided*” and delete “*the*” and insert “*a*”

Page 1, line 23, delete “*against another child*”

Page 4, line 25, delete “*or not*”

Page 4, line 26, delete “*give*”

Page 4, line 27, delete “*substantial consideration to*” and insert “*consider*” and delete “*has been residing*” and insert “*would reside*”

Page 4, line 28, delete “*with a victim of domestic child abuse or*” and delete “*the*” and insert “*a*”

Page 4, line 29, delete “*against another child*”

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. 100: A bill for an act relating to transportation; providing for strength, width, clearance, and safety standards for bridges; amending Minnesota Statutes 1988, section 165.03, 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. Minnesota Statutes 1988, section 165.03, subdivision 1, is amended to read:

Subdivision 1. ~~All bridges hereafter~~ *Each bridge, including a privately owned bridge, must conform to the strength, width, clearance, and safety*

*standards imposed by the commissioner for the connecting highway or street. This subdivision applies to a bridge that is constructed or reconstructed after August 1, 1989, on any public highway or street, including streets within cities, shall be at least of sufficient strength to support with safety any vehicle with a weight of 20 tons on two axles with ten foot centers, with not to exceed three-fourths of the weight concentrated on one axle, when driven at a speed of not to exceed three miles an hour. The bridge must have sufficient strength to support with safety the maximum vehicle weights allowed under section 169.825, and must have the minimum width specified in section 165.04, subdivision 3."*

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. 126: A bill for an act relating to traffic regulations; providing for suspension of driver's license of person failing to appear in court following verbal promise to appear; amending Minnesota Statutes, section 169.92.

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 1988, section 169.92, is amended to read:

169.92 [FAILURE TO APPEAR.]

Subdivision 1. ~~Any person willfully failing to appear in court as required by sections 169.90 to 169.95 is guilty of a misdemeanor, provided the person is found guilty of the charge upon which originally arrested.~~ A person may appear in court either in person or through an appearance by counsel. *A person is not required to sign a written promise to appear.*

Subd. 2. When a ~~nonresident~~ person fails to appear or comply with other orders of the court regarding the appearance or proceedings, the court shall notify the commissioner of public safety of the nonappearance upon a form provided by the commissioner.

Subd. 3. Upon receipt of notice from the court that ~~the~~ a nonresident did not appear in court, the commissioner of public safety shall forward a copy of the report to the driver licensing authority of the state, district, territory, possession, or province of residence of the person.

Subd. 4. (a) Upon receiving a report from *the court, or from* the driver licensing authority of a state, district, territory, or possession of the United States or a province of a foreign country which has an agreement in effect with this state pursuant to section 169.91, that a resident of this state or a person licensed as a driver in this state did not appear in court in compliance with the terms of ~~the~~ a citation in ~~the party jurisdiction~~, the commissioner of public safety shall notify the driver that the driver's license will be suspended unless the commissioner receives notice within 30 days that the driver has appeared in the appropriate court of ~~the other jurisdiction~~. If the commissioner does not receive notice of the appearance of ~~the Minnesota resident~~ in the appropriate court within 30 days of the date of the commissioner's notice to the driver, the commissioner may suspend the

person's driver's license.

(b) The order of suspension shall indicate the reason for the order and shall notify the ~~person driver~~ that the ~~person's driver's~~ license shall remain suspended until the ~~person driver~~ has furnished evidence, satisfactory to the commissioner, of compliance with any order entered by the court.

(c) Suspension shall be ordered under this subdivision only when the report ~~from the other jurisdiction~~ clearly identifies the person arrested; describes the violation, specifying the section of the traffic law, ordinance or rule violated; indicates the location and date of the offense; and describes the vehicle involved and its registration number.

Sec. 2. Minnesota Statutes 1988, section 171.01, subdivision 13, is amended to read:

Subd. 13. [CONVICTION.] The term "conviction" means a final conviction either after trial or upon a plea of guilty; Also, a forfeiture of cash or collateral deposited to guarantee a defendant's appearance in court, which forfeiture has not been vacated; ~~or; the failure to comply with a written notice to appear in court; or a breach of a condition of release without bail,~~ is equivalent to a conviction.

Sec. 3. Minnesota Statutes 1988, section 171.20, subdivision 4, is amended to read:

Subd. 4. [REINSTATEMENT FEE.] A person whose ~~drivers driver's~~ license has been suspended under section *171.16, subdivision 2, 171.18, or 171.182* must pay a \$20 fee before the license is reinstated, except that a suspension may be rescinded without fee for good cause."

Delete the title and insert:

"A bill for an act relating to traffic regulations; providing for suspension of driver's license of certain persons failing to appear in court; setting a fee; amending Minnesota Statutes 1988, sections 169.92; 171.01, subdivision 13; and 171.20, subdivision 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. 401: A bill for an act relating to traffic regulations; exempting state patrol troopers from requirement of security barrier in marked state patrol vehicles; amending Minnesota Statutes 1988, section 169.98, 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. 414: A bill for an act relating to the city of St. Peter; providing for a seven-member municipal hospital board and a nine-member economic development authority.

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



Page 1, line 17, after "authority" insert ". two of whom must be members of the city council."

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. 65: A bill for an act relating to economic development; authorizing local jurisdictions involved in economic development to participate in secondary markets; proposing coding for new law in Minnesota Statutes, chapter 465.

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

Page 1, line 14, delete "by a public agency"

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. 54: A bill for an act relating to the city of Edina; authorizing the city to operate a public transit system and to acquire necessary equipment, land, and interests in land; permitting the establishment of a special service district in the city; providing taxing and other authority; providing that the city and the housing and redevelopment authority need not require competitive bidding and bonds in connection with certain redevelopment projects.

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

Delete everything after the enacting clause and insert:

"Section 1. [PUBLIC TRANSIT SYSTEM.]

*The city of Edina may acquire, construct, maintain, and operate a public transit system not operating on fixed rails in the area of the city bounded by county state aid road number 62 on the north, trunk highway 100 on the west, and the city limits on the south and east. The city may acquire, by purchase, lease, or other means, all equipment or other personal property necessary or convenient to operate the system. The city may acquire by purchase, lease, gift, devise, condemnation, or otherwise all land and right-of-way or other interests in land necessary or convenient to construct or operate the system. The city may enter into contracts necessary or proper to acquire, construct, maintain, or operate the system. The city shall have all powers necessary or convenient to acquire, construct, maintain, or operate the system. The city may, in lieu of directly operating the system or any part of it, contract with a person to manage or operate it on behalf of the city. The operation of the public transit system by the city shall not be subject to regulation by the transportation regulation board under Minnesota Statutes, chapter 221.*

Sec. 2. [SPECIAL SERVICE DISTRICT.]

*For the purposes of this section "special services" means all services*

*rendered or contracted for by the city, including, but not limited to:*

*(1) acquisition, construction, maintenance, and operation of the public transit system authorized by section 1; and*

*(2) any other service provided to the public by the city authorized by any law.*

*The governing body of the city of Edina may adopt ordinances establishing special service districts in the city. The provisions of Minnesota Statutes, chapter 428A, shall govern the establishment and operation of special service districts in the city, except that if any special service district includes the property of Fairview Southdale Hospital in the city, then service charges may be imposed under chapter 428A against the property and improvements of Fairview Southdale Hospital as well as other property in the district.*

**Sec. 3. [EFFECTIVE DATE.]**

*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 Edina.*

**Sec. 4. [EXCEPTION FROM COMPETITIVE BIDDING AND PERFORMANCE BONDS.]**

*The city of Edina and its housing and redevelopment authority need not require either competitive bidding or performance bonds with respect to any facilities or other improvements to be owned by or subject to easements in favor of the city or authority which are constructed in connection with residential developments constructed in conjunction with redevelopment projects, as defined in Minnesota Statutes, section 469.002, subdivision 14, to be undertaken in the southeast Edina redevelopment plan area of the authority.*

**Sec. 5. [EFFECTIVE DATE.]**

*Section 4 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing bodies of the city of Edina and the housing and redevelopment authority of Edina."*

Delete the title and insert:

"A bill for an act relating to the city of Edina; authorizing the city to operate a public transit system and to acquire necessary equipment, land, and interests in land; permitting the establishment of special service districts in the city; providing that the city and the housing and redevelopment authority need not require competitive bidding and bonds in connection with certain redevelopment projects."

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. Chmielewski from the Committee on Employment, to which was re-referred

S.F No. 243: A bill for an act relating to insurance; regulating access to certain insurance and medical data; amending Minnesota Statutes 1988, section 176.138.

Reports the same back with the recommendation that 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. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 44: A bill for an act relating to motor vehicles; providing for the transfer of "EX-POW" license plates to surviving spouses; amending Minnesota Statutes 1988, section 168.125, subdivision 1.

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. 242: A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance companies; amending Minnesota Statutes 1988, section 60A.15, subdivision 1.

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

Page 1, line 17, strike "principally" and delete the new language

Page 1, line 18, strike "writing" and delete "primary" and strike "workers' compensation insurance, (ii)"

Page 1, line 19, strike "(iii)" and insert "(ii)"

Page 1, line 24, strike "principally" and delete the new language and strike "writing"

Page 1, line 25, delete "primary" and strike "workers' compensation insurance, (ii)"

Page 2, line 1, strike "(iii)" and insert "(ii)"

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. 164: A bill for an act relating to workers' compensation; providing for certified questions to the workers' compensation court of appeals; 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 1, line 20, delete "of labor and industry"

Page 2, line 13, delete "deem" and insert "consider"

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. 103: A bill for an act relating to public safety; regulating boiler operation and inspections; amending Minnesota Statutes 1988, sections 183.42; and 183.45.

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

Page 2, line 35, delete "by" and insert "*under the direction of*" and after "owner" insert ", contractor,"

Page 3, line 11, before "*operating*" insert "*boiler water treatment*"

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 429: A bill for an act relating to veterans affairs; increasing the amount of educational assistance for war orphans and veterans; increasing educational assistance for POW/MIA dependents; providing for cost-of-living increases; amending Minnesota Statutes 1988, sections 197.75, subdivision 1; and 197.752.

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

Page 1, after line 8, insert:

"Section 1. [197.055] [COST-OF-LIVING INCREASES.]

*The commissioner of veterans affairs shall annually adjust benefits paid under sections 197.03 to 197.07 to reflect changes in the cost of living. The annual adjustment must be at least the average cost-of-living adjustment for public assistance programs administered by the department of human services for the same year.*"

Page 1, line 26, delete "\$525" and insert "\$900"

Page 2, line 1, delete "\$525" and insert "\$900"

Page 2, line 31, delete "\$325" and insert "\$900"

Page 3, after line 22, insert:

"Sec. 4. [APPROPRIATION.]

*\$. . . . . is appropriated from the general fund to the commissioner of veterans affairs for the purposes of section 1, to be available until June 30, 1991."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "increases" insert "in certain veterans benefits; appropriating money"

Page 1, line 7, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 197"

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 435: A bill for an act relating to veterans; changing admissions, removal, and utilization review procedures for veterans homes; granting rulemaking authority to the veterans homes board; changing certain rights and presumptions; amending Minnesota Statutes 1988, sections 198.003; 198.007; 198.022; 198.03; and 198.32; proposing coding for new law in Minnesota Statutes, chapter 198.

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

Page 2, delete lines 6 to 25

Amend the title as follows:

Page 1, line 2, delete "removal" and insert "discharge"

Page 1, line 5, delete "certen" and insert "certain"

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 686: A resolution memorializing the President and Congress to condemn the government of Iran because of its action against Salman Rushdie and to refuse efforts to return frozen Iranian assets to Iran.

Reports the same back with the recommendation that the resolution do pass and be placed on the Consent Calendar. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 363 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.
363			173		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 363 be amended as follows:

Delete all the language after the title of H.F. No. 363 and insert the language after the title of S.F. No. 173, the first engrossment; further, delete the title of H.F. No. 363 and insert the title of S.F. No. 173, the first engrossment.

And when so amended H.F. No. 363 will be identical to S.F. No. 173, and further recommends that H.F. No. 363 be given its second reading and substituted for S.F. No. 173, 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. 68 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
68	61				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 68 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 68 and insert the language after the enacting clause of S.F. No. 61, the first engrossment; further, delete the title of H.F. No. 68 and insert the title of S.F. No. 61, the first engrossment.

And when so amended H.F. No. 68 will be identical to S.F. No. 61, and further recommends that H.F. No. 68 be given its second reading and substituted for S.F. No. 61, 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. Merriam from the Committee on Finance, to which was referred

S.F. No. 574: A bill for an act relating to natural resources; providing for a deficiency in the appropriation for emergency deer feeding; appropriating money.

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 112, 511, 315, 218, 493, 100, 126, 401, 414, 164, 103, 686 and 574 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 95, 363 and 68 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Knutson moved that the names of Mrs. Pariseau and Mr. McGowan be added as co-authors to S.F. No. 35. The motion prevailed.

Mr. Bertram moved that the name of Mr. Laidig be added as a co-author to S.F. No. 44. The motion prevailed.

Mr. Chmielewski moved that the name of Ms. Piper be added as a co-author to S.F. No. 164. The motion prevailed.

Mr. Bertram moved that the name of Mr. Mehrkens be added as a co-author to S.F. No. 191. The motion prevailed.

Mr. Chmielewski moved that the name of Ms. Piper be added as a co-author to S.F. No. 242. The motion prevailed.

Mr. Chmielewski moved that the names of Ms. Piper and Mr. Diessner be added as co-authors to S.F. No. 243. The motion prevailed.

Mr. Knaak moved that the name of Mr. Renneke be added as a co-author to S.F. No. 327. The motion prevailed.

Mr. McGowan moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 360. The motion prevailed.

Mr. Luther moved that the names of Mr. Cohen and Mrs. McQuaid be added as co-authors to S.F. No. 361. The motion prevailed.

Mr. Chmielewski moved that the name of Ms. Piper be added as a co-author to S.F. No. 372. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 405. The motion prevailed.

Mr. Bertram moved that the name of Mr. Diessner be added as a co-author to S.F. No. 435. The motion prevailed.

Mr. McGowan moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 479. The motion prevailed.

Mr. Chmielewski moved that the name of Ms. Piper be added as a co-author to S.F. No. 505. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 508. The motion prevailed.

Mr. Chmielewski moved that the names of Mr. Solon and Ms. Piper be added as co-authors to S.F. No. 510. The motion prevailed.

Ms. Reichgott moved that the name of Ms. Piper be added as a co-author to S.F. No. 526. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Ms. Piper be added as a co-author to S.F. No. 555. The motion prevailed.

Mr. Bertram moved that the name of Mr. Spear be added as a co-author to S.F. No. 609. The motion prevailed.

Mr. Freeman moved that the names of Messrs. Johnson, D.E. and Bertram be added as co-authors to S.F. No. 619. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Novak be added as a co-author to S.F. No. 631. The motion prevailed.

Mr. Moe, R.D. moved that the name of Mr. Solon be added as a co-author to S.F. No. 643. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Solon be added as a co-author to S.F. No. 644. The motion prevailed.

Mr. Pogemiller moved that the name of Ms. Berglin be added as a co-author to S.F. No. 645. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Diessner be added as a co-author to S.F. No. 647. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Morse be added as a co-author to S.F. No. 654. The motion prevailed.

Mr. Bernhagen moved that the name of Mr. Pehler be added as a co-author to S.F. No. 679. The motion prevailed.

Ms. Reichgott introduced—

Senate Resolution No. 52: A Senate resolution congratulating Julie Knutson, of Crystal, Minnesota, for being selected Miss Minnesota U.S.A.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 53: A Senate resolution commending Bill Stoll, of Pierz, Minnesota, for over 40 years of banking service for the Farmers and Mechanics Bank.

Referred to the Committee on Rules and Administration.

### CALENDAR

S.F. No. 101: A bill for an act relating to human services; clarifying definition of community social services; requiring the commissioner to coordinate application procedures for various social services grants; amending Minnesota Statutes 1988, sections 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivision 1; and repealing Minnesota Statutes 1988, section 256E.08, subdivision 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	Decker	Kroening	Moe, R.D.	Renneke
Anderson	DeCramer	Laidig	Morse	Samuelson
Beckman	Dicklich	Langseth	Novak	Schmitz
Belanger	Diessner	Lantry	Olson	Solon
Berg	Frank	Larson	Pariseau	Spear
Berglin	Frederickson, D.J.	Lessard	Pehler	Storm
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Stumpf
Bertram	Freeman	Marty	Peterson, R.W.	Taylor
Brandl	Hughes	McGowan	Piper	Vickerman
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Mehrkens	Purfeerst	
Cohen	Knaak	Merriam	Ramstad	
Dahl	Knutson	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 156: A bill for an act relating to gambling; authorizing the governor to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 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 1, as follows:



Those who voted in the affirmative were:

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

Mr. Knutson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 227: A bill for an act relating to health; enacting the uniform determination of death act; 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 58 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Chmielewski, Frank and Samuelson 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.

Mr. Dahl introduced—

S.F. No. 687: 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. Dahl introduced—

S.F. No. 688: A bill for an act relating to education; authorizing per diem for regents of the University of Minnesota; amending Minnesota Statutes

1988, section 137.024.

Referred to the Committee on Education.

Messrs. Stumpf, DeCramer and Renneke introduced—

S.F. No. 689: A bill for an act relating to education; expanding the milk in the schools program; appropriating money; amending Minnesota Statutes 1988, section 124.648.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Beckman, Bertram and Vickerman introduced—

S.F. No. 690: A bill for an act relating to natural resources; allowing members of the Minnesota national guard to camp at state campgrounds for half the regular price; allowing members of the Minnesota national guard to purchase a fishing license for half the regular price; amending Minnesota Statutes 1988, sections 85.052, subdivision 3; 89.21; and 97A.465, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 691: A bill for an act relating to retirement; teachers retirement act; teachers retirement, certain cities; permitting teachers on unrequested leaves of absence to receive allowable service credit toward annuities and other benefits; proposing coding for new law in Minnesota Statutes, chapters 354 and 354A.

Referred to the Committee on Governmental Operations.

Messrs. Hughes; Frederickson, D.J.; DeCramer; Beckman and Larson introduced—

S.F. No. 692: A bill for an act relating to education; proposing department of education lifelong learning initiatives; appropriating money; amending Minnesota Statutes 1988, sections 124.26, subdivision 1c; 124.26, subdivision 7; and 275.125, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Frank introduced—

S.F. No. 693: A bill for an act relating to retirement; excluding members of the Columbia Heights fire department from membership in the public employees retirement association; providing for refunds.

Referred to the Committee on Governmental Operations.

Mr. Frank introduced—

S.F. No. 694: A bill for an act relating to judgments; providing a reasonable exemption for employee benefits; amending Minnesota Statutes 1988, section 550.37, subdivision 24.

Referred to the Committee on Judiciary.

Mr. Pehler introduced—

S.F. No. 695: A bill for an act relating to education; requiring school boards to report certain teacher discharges and resignations to the board of teaching; providing for immunity from liability; amending Minnesota Statutes 1988, section 125.09, by adding subdivisions.

Referred to the Committee on Education.

Ms. Reichgott introduced—

S.F. No. 696: A bill for an act relating to education; expanding the definition of resident student for purposes of financial assistance; amending Minnesota Statutes 1988, section 136A.101, subdivision 8.

Referred to the Committee on Education.

Messrs. Novak; Johnson, D.J.; Pogemiller; Benson and Pehler introduced—

S.F. No. 697: A bill for an act relating to taxation; property; classifying certain utility personal property; amending Minnesota Statutes 1988, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Knutson, Schmitz, Frederick, Mehrkens and Metzen introduced—

S.F. No. 698: A bill for an act relating to motor vehicles; defining physically handicapped person for purposes of obtaining special license plates; amending Minnesota Statutes 1988, section 169.345, subdivision 2.

Referred to the Committee on Transportation.

Mr. Johnson, D.J. introduced—

S.F. No. 699: A bill for an act relating to alcoholic beverages; authorizing Cook county to issue an off-sale liquor license.

Referred to the Committee on Commerce.

Messrs. Merriam, Diessner, Bertram, Benson and Johnson, D.J. introduced—

S.F. No. 700: A bill for an act relating to the military; enacting financial incentives for members of the national guard; creating cash bonus and tuition reimbursement programs; appropriating money; providing that the appropriations for the national guard cash bonus and tuition assistance programs are available until expended and that the appropriation for one program may be used for the other; amending Laws 1988, chapter 686, section 21.

Referred to the Committee on Veterans and Military Affairs.

Mr. Freeman, Mses. Peterson, D.C.; Berglin; Messrs. Metzen and Anderson introduced—

S.F. No. 701: A bill for an act relating to insurance; requiring coverage for child health supervision and prenatal services; clarifying certain definitions; amending Minnesota Statutes 1988, section 62A.047.

Referred to the Committee on Commerce.

Mr. DeCramer, Ms. Peterson, D.C.; Messrs. Marty, Davis and Mehrkens introduced—

S.F. No. 702: A bill for an act relating to education; providing for a survey of parents to be conducted to determine interest in a school breakfast program; requiring a school breakfast program to be operated in certain schools; requiring the commissioner of education to report to the legislature on activities related to school breakfast programs; appropriating money; amending Minnesota Statutes 1988, section 124.6471; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Benson, Langseth, Mehrkens, Ms. Olson and Mr. Peterson, R. W. introduced—

S.F. No. 703: A bill for an act relating to education; reauthorizing program improvement grants; providing an exception to consolidation timelines; appropriating money; amending Minnesota Statutes 1988, sections 122.23, by adding a subdivision; and 129B.11, subdivisions 1 and 2.

Referred to the Committee on Education.

Messrs. DeCramer, Dahl, Dicklich, Mrs. Pariseau and Mr. Pehler introduced—

S.F. No. 704: A bill for an act relating to education; appropriating money to establish and expand post-secondary nursing programs and for nursing scholarships.

Referred to the Committee on Education.

Mr. DeCramer, by request, introduced—

S.F. No. 705: A bill for an act relating to human services; excluding from day care licensure programs operated by religious organizations for the primary purpose of providing religious instruction to the children of members; amending Minnesota Statutes 1988, section 245A.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Laidig, Mehrkens, Decker, Mmes. McQuaid and Pariseau introduced—

S.F. No. 706: A bill for an act relating to education; restoring earlier levels of salary aid for special education teachers; appropriating money; amending Minnesota Statutes 1988, section 124.32, subdivision 1b.

Referred to the Committee on Education.

Messrs. Belanger, Purfeerst, Schmitz, Mrs. Lantry and Mr. Mehrkens introduced—

S.F. No. 707: A bill for an act relating to motor vehicles; requiring a notice of motor vehicle title transfer procedures to be included with annual motor vehicle registrations; amending Minnesota Statutes 1988, section 168.017, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Moe, R.D. introduced—

S.F. No. 708: A bill for an act relating to taxation; authorizing a special levy for soil and water conservation district expenses; amending Minnesota Statutes 1988, section 275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Belanger, Lessard, Berg, Mrs. Pariseau and Mr. Novak introduced—

S.F. No. 709: A bill for an act relating to snowmobiles; requiring proof of ownership on initial registration or transfer of ownership; amending Minnesota Statutes 1988, section 84.82, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Berg introduced—

S.F. No. 710: A bill for an act relating to state lands; authorizing the commissioner of transportation to convey certain surplus property to Stevens county for other than public purposes; authorizing the county to sell the property for other than public purposes through a negotiated sale.

Referred to the Committee on Environment and Natural Resources.

Mr. Hughes introduced—

S.F. No. 711: A bill for an act relating to Ramsey county; authorizing the use of certain property for public purposes.

Referred to the Committee on Local and Urban Government.

Mr. Chmielewski introduced—

S.F. No. 712: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Pine county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Brandl, Marty, Ms. Piper and Mr. Diessner introduced—

S.F. No. 713: A bill for an act relating to health; amending the clean indoor air act; amending Minnesota Statutes 1988, sections 144.413, subdivision 2; 144.414, subdivisions 1 and 3; 144.415; and 144.416.

Referred to the Committee on Health and Human Services.

Ms. Reichgott introduced—

S.F. No. 714: A bill for an act relating to Hennepin county; providing for the number of commissioners of the county housing and redevelopment authority; amending Minnesota Statutes 1988, section 383B.77, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Waldorf, Merriam, Ms. Reichgott, Messrs. Laidig and Knaak introduced—

S.F. No. 715: 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.

Mrs. Lantry, Ms. Berglin, Messrs. Samuelson, Spear and Johnson, D.E. introduced—

S.F. No. 716: A bill for an act relating to human services; requiring an increase in foster care maintenance payments; requiring a respite program for foster care providers; authorizing start-up grants to persons who seek to provide foster care; requiring a four-year commitment to foster care; appropriating money; amending Minnesota Statutes 1988, sections 256.82, subdivision 3; and 462A.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 257.

Referred to the Committee on Health and Human Services.

Messrs. Cohen, Solon, Luther, Ms. Peterson, D.C. and Mrs. McQuaid introduced—

S.F. No. 717: A bill for an act relating to financial institutions; permitting banks to perform clerical services at off-premises data processing and storage centers; proposing coding for new law in Minnesota Statutes, chapter 48.

Referred to the Committee on Commerce.

Messrs. Frank, Stumpf, Beckman, Vickerman and Bernhagen introduced—

S.F. No. 718: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a housing rehabilitation program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Messrs. Dahl, Novak, Purfeerst, Schmitz and Bernhagen introduced—

S.F. No. 719: A bill for an act relating to highways; directing commissioner of transportation to approve construction of exit ramp off highway 65 under certain conditions.

Referred to the Committee on Transportation.

Mr. Solon, Mrs. Lantry, Messrs. Renneke; Johnson, D.E. and Samuelson introduced—

S.F. No. 720: A bill for an act relating to human services; establishing requirements for payments for dental care under medical assistance and general assistance medical care; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Luther, Cohen, Laidig and Freeman introduced—

S.F. No. 721: A bill for an act relating to taxation; providing a schedule for distribution of political campaign checkoff money to political parties; amending Minnesota Statutes 1988, section 10A.31, subdivision 5.

Referred to the Committee on Elections and Ethics.

Messrs. Pehler, Frank and Kroening introduced—

S.F. No. 722: A bill for an act relating to employment; requiring prevailing wages to be paid on certain railroad projects assisted with state money; amending Minnesota Statutes 1988, section 222.50, subdivision 5.

Referred to the Committee on Employment.

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

S.F. No. 723: A bill for an act relating to occupations and professions; regulating nursing; proposing the Minnesota nurse practice act; providing penalties; amending Minnesota Statutes 1988, sections 144A.43, subdivision 3; 145A.02, subdivision 18; 148.171; 148.181; 148.191; 148.211; 148.231; 148.241; 148.251; 148.261; 148.271; 148.281; and 148.283; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1988, sections 145A.06, subdivision 3; 148.191, subdivision 3; 148.221; 148.251, subdivision 2; 148.261, subdivision 3; 148.272; 148.281, subdivision 1a; 148.286; 148.29; 148.291; 148.292; 148.293; 148.294; 148.295; 148.296; 148.297; 148.298; and 148.299.

Referred to the Committee on Health and Human Services.

Mr. Benson introduced—

S.F. No. 724: A bill for an act relating to health; exempting restaurants from liability for injuries caused by donation of prepared food; amending Minnesota Statutes 1988, section 31.50.

Referred to the Committee on Commerce.

Mr. Moe, D.M. introduced—

S.F. No. 725: A bill for an act relating to courts; individual paid health insurance for retired judges; authorizing notification of option to elect purchase of coverage; authorizing judges retired prior to July 1, 1981, to elect purchase of health insurance; amending Minnesota Statutes 1988, section 43A.27, subdivision 4.

Referred to the Committee on Governmental Operations.

Mrs. Brataas, Messrs. Pehler and Benson introduced—

S.F. No. 726: A bill for an act relating to education; authorizing school transportation to and from an additional kind of day care provider; amending Minnesota Statutes 1988, section 124.223.

Referred to the Committee on Education.

Mses. Berglin, Piper, Mrs. Lantry, Messrs. Storm and Brandl introduced—

S.F. No. 727: A bill for an act relating to human services; establishing a resource center on caregiver support; creating a grant program of respite care services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Pogemiller, Novak, Mehrkens, Freeman and Metzen introduced—

S.F. No. 728: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a neighborhood preservation program and to issue revenue bonds for city housing rehabilitation loan and grant programs; appropriating money; amending Minnesota Statutes 1988, sections 462A.03, by adding a subdivision; and 462A.08, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Messrs. Purfeerst, Schmitz, Vickerman, Mrs. Lantry and Mr. Bernhagen introduced—

S.F. No. 729: A bill for an act relating to transportation; providing continued special transportation service for persons with permanent sensory or mental impairment; requiring coordination between regional transit board and department of human services to maximize federal reimbursement; requiring adoption of transit voucher program for persons with permanent impairments; providing for appeals of decisions of regional transit board; appropriating money; amending Minnesota Statutes 1988, sections 174.29, subdivision 2; 256B.04, by adding a subdivision; and 473.386, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Transportation.

Mses. Peterson, D.C.; Berglin; Messrs. Merriam, Samuelson and Benson introduced—

S.F. No. 730: A bill for an act relating to human services; providing for the distribution of money for head start programs to expand services to additional children from low income families; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Health and Human Services.



Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pehler; Merriam and Ms. Olson introduced—

S.F. No. 731: A bill for an act relating to education; providing for an interagency task force; creating a competitive grant process for literacy programs; increasing funding for adult basic education programs; increasing the adult basic and continuing education tax capacity; appropriating money; amending Minnesota Statutes 1988, section 275.125, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Mr. Taylor introduced—

S.F. No. 732: A bill for an act relating to Blue Earth county; authorizing the county to transfer certain duties.

Referred to the Committee on Judiciary.

Mr. Knaak and Ms. Piper introduced—

S.F. No. 733: A bill for an act relating to health; requiring health clubs to have staff trained in cardiopulmonary resuscitation; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Johnson, D.J.; Pogemiller; Moe, D.M. and Solon introduced—

S.F. No. 734: A bill for an act relating to human services; creating a subsidy program for community clinics; providing planning grants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Taylor and Decker introduced—

S.F. No. 735: A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Dahl introduced—

S.F. No. 736: 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. Berg, Bernhagen, Davis, Pogemiller and Stumpf introduced—

S.F. No. 737: A bill for an act relating to taxation; income; providing for allocation and apportionment of income derived by certain corporations from material value added to agricultural products by processing, packaging, or other high technology procedures; amending Minnesota Statutes 1988, section 290.17, by adding a subdivision.

Referred to the Committee on Agriculture and Rural Development.

Mr. Stumpf introduced—

S.F. No. 738: A bill for an act relating to traffic regulations; providing for special permit for special vehicle; setting a fee; amending Minnesota Statutes 1988, sections 169.825, by adding a subdivision; and 169.86, subdivision 5.

Referred to the Committee on Transportation.

Mr. Stumpf introduced—

S.F. No. 739: A bill for an act relating to motor carriers; exempting rear-end dump trucks operated by private agricultural carriers between point of production and point of processing from requirements for rear-end protection; amending Minnesota Statutes 1988, section 221.031, subdivision 2a.

Referred to the Committee on Transportation.

Messrs. Stumpf and Lessard introduced—

S.F. No. 740: A bill for an act relating to state lands; directing conveyance of a certain tract in Beltrami county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson; Johnson, D.E.; Chmielewski and Purfeerst introduced—

S.F. No. 741: A bill for an act relating to state agencies; creating a department of state facilities; transferring responsibility for the management and operation of state human services facilities to the commissioner of state facilities; requiring a plan for the transfer; proposing coding for new law in Minnesota Statutes, chapter 246.

Referred to the Committee on Health and Human Services.

Messrs. Laidig and Larson introduced—

S.F. No. 742: A bill for an act relating to education; establishing a basic revenue formula allowance for fiscal years 1990 and 1991; revising the training and experience revenue formula; amending Minnesota Statutes 1988, section 124A.22, subdivisions 2 and 4.

Referred to the Committee on Education.

Mr. Frank introduced—

S.F. No. 743: A bill for an act relating to housing; requiring the Minnesota housing finance agency to give priority to Minnesota service providers when contracting for certain types of loan services; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 744: A bill for an act relating to agriculture; making technical changes in the seed and dairy inspection laws; amending Minnesota Statutes 1988, sections 21.89, subdivisions 2 and 4; and 32.103.

Referred to the Committee on Agriculture and Rural Development.

Mr. Brandl, Ms. Berglin, Mr. Pogemiller, Mrs. Brataas and Ms. Piper introduced—

S.F. No. 745: A bill for an act relating to human services; encouraging increased efforts to collect child support for public and nonpublic assistance clients; presuming paternity when blood tests are 99 percent positive; excluding public assistance from income for maintenance and support determinations in divorce; establishing an administrative process to obtain and enforce support orders; appropriating money; amending Minnesota Statutes 1988, sections 15A.083, by adding a subdivision; 256.979; 257.55, subdivision 1; 257.62, subdivision 5; 518.54, subdivision 6; 518.551, subdivision 10; 518.611, subdivision 4; 518.613; and 518.614, subdivision 1; repealing Minnesota Statutes 1988, section 518.613, subdivision 5.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Vickerman, Diessner, Storm and Brandl introduced—

S.F. No. 746: A bill for an act relating to human services; amending the comprehensive mental health act; establishing a mental health system for adults and for children; requiring case management; establishing mental health interagency coordinating councils; establishing task forces; allowing fees for mental health services; requiring family community support services and home-based family treatment; amending Minnesota Statutes 1988, sections 245.461; 245.462; 245.463, subdivision 2; 245.464; 245.465; 245.466, subdivisions 1, 2, 5, and 6; 245.467, subdivisions 3, 4, and 5; 245.468; 245.469; 245.470, subdivision 1; 245.472, subdivision 1, and by adding a subdivision; 245.473, subdivision 1; 245.474; 245.476, subdivisions 1 and 3, and by adding a subdivision; 245.477; 245.478, subdivisions 2 and 3; 245.479; 245.48; 245.482; 245.483; 245.484; 245.485; 245.486; 245.62, subdivisions 2, 3, and 4; 245.696, subdivision 2; 245.697, subdivision 2a; 245.713, subdivision 2; and 245.73, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1988, sections 245.462, subdivision 25; 245.471; 245.475; 245.61; 245.64; and 245.698.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Mrs. Lantry, Messrs. Knutson and Samuelson introduced—

S.F. No. 747: A bill for an act relating to human services; providing for eligibility changes in the medical assistance, general assistance medical care, and children's health plan programs; clarifying existing eligibility requirements; providing for coordination of benefits with the children's health plan; providing for certain changes in the administration of the medical assistance demonstration project; amending Minnesota Statutes 1988, sections 62A.045; 62A.046; 145.61, subdivision 5; 145.63; 214.06,

subdivision 1; 256.936, subdivisions 1, 2, and 4; 256.969; 256B.031, subdivision 5; 256B.04, subdivision 14; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3 and 5; 256B.062; 256B.0625, subdivision 13, and by adding a subdivision; 256B.14; 256B.69, subdivisions 4, 5, 11, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 7; and 297.13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 256 and 256B; repealing Minnesota Statutes 1988, sections 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.17; and 256B.69, subdivisions 12, 13, 14, and 15.

Referred to the Committee on Health and Human Services.

Mr. Spear, Mses. Berglin, Reichgott and Mr. Knutson introduced—

S.F. No. 748: A bill for an act relating to human services; establishing state child mortality review panel; authorizing the state to require local reviews; protecting data generated by the review panel as confidential and nondiscoverable; clarifying neglect or endangerment of a child; amending Minnesota Statutes 1988, sections 256.01, by adding a subdivision; 609.378; 626.556, subdivision 2; and 626.558.

Referred to the Committee on Health and Human Services.

Ms. Olson, Messrs. Knaak, Lessard, Merriam and Laidig introduced—

S.F. No. 749: A bill for an act relating to waters; directing an inventory of, education on, and assistance in control of certain aquatic weeds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

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 27, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SIXTEENTH DAY

St. Paul, Minnesota, Monday, February 27, 1989

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

Prayer was offered by the Chaplain, Rev. William R. Chadwick.

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

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

Mr. Brandl was excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 25, 1989

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:

Maureen Bye, 609 W. 2nd St., Duluth, St. Louis County, has been appointed by me, effective January 24, 1989, for a term expiring the first Monday in

January, 1993.

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

February 8, 1989

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:

Henry Banal, 520 Grove Lake, Sauk Centre, Stearns County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Agriculture and Rural Development.)

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. 175, 210, 268 and 279.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 23, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 175: A bill for an act relating to animals; requiring notice to possess dangerous nondomesticated animals; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 210: A bill for an act relating to counties; permitting counties to rent county-owned residences by less formal procedure; amending Minnesota Statutes 1988, section 373.01, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 229, now on General Orders.

H.F. No. 268: A bill for an act relating to commerce; regulating burglar alarm franchises; amending Minnesota Statutes 1988, section 80C.30.

Referred to the Committee on Commerce.

H.F. No. 279: A bill for an act relating to local government; permitting bank letters of credit in lieu of certain bonds; proposing coding for new law in Minnesota Statutes, chapter 574.

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. The motion prevailed.

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

S.F. No. 374: A bill for an act relating to human services; increasing the medical assistance income standard for aged, blind, and disabled persons; amending Minnesota Statutes 1988, section 256B.056, 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.

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

S.F. No. 477: A bill for an act relating to regional railroad authorities; permitting authorities to enter certain agreements; amending Minnesota Statutes 1988, section 398A.04, subdivision 9.

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 438: A bill for an act relating to public safety; defining high pressure piping; regulating the practice of pipefitting; amending Minnesota Statutes 1988, section 326.461, subdivision 2.

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

Amend the title as follows:

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

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. 200: A bill for an act relating to insurance; regulating continuing insurance education; amending Minnesota Statutes 1988, section 60A.1701, subdivisions 1, 5, 7, 8, and 9; repealing Minnesota Rules, part 2725.0240.

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

Page 1, lines 11 to 15, delete the new language and insert "A *professional designation examination* means a written, proctored, and graded examination the passage of which leads to a bona fide professional designation used by agents."

Page 2, lines 13, 16, and 34, delete "national" and insert "professional designation"

Page 2, line 15, after "awarded" insert "for passage of the examination"

Page 2, line 17, delete "insurance"

Page 2, line 18, before the semicolon, insert "*used by agents*"

Page 2, line 35, delete "*studying for a national*" and insert "*receiving credit for time spent in an approved course preparing for the*"

Page 2, line 36, delete everything before "*may*" and after "*may*" insert "*not also*"

Page 3, delete lines 1 and 2 and insert "*credit for passing the professional designation examination.*"

Page 3, lines 13 and 14, delete the new language

Page 5, after line 9, insert:

"Sec. 7. [EFFECTIVE DATE; APPLICATION.]

*Sections 1 to 6 are effective for the reporting year beginning June 1, 1989. The advisory task force may begin recommending approval and disapproval of, and the commissioner may approve or disapprove, professional designation examinations beginning the day following final enactment of sections 1 to 6.*

*An agent completing a program of instruction provided through home study on or after June 1, 1988, but before the effective date of sections 1 to 6, shall receive full continuing education credit for the reporting year beginning June 1, 1989, if the program meets the requirements of a professional designation examination as defined in section 1.*"

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

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

S.F. No. 182: A bill for an act relating to agriculture; extending the farmer-lender mediation act; extending mortgage foreclosure relief provisions; amending provisions relating to the time period under which there is a rebuttable presumption that a sale is a violation of the right to receive an offer to buy agricultural land; amending Minnesota Statutes 1988, section 500.24, subdivision 6; and Laws 1983, chapter 215, section 16, as amended; and Laws 1986, chapter 398, article 1, section 18, as amended.

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

Page 2, line 36, after "bonds" insert "*of similar maturity*"

Page 6, after line 28, insert:

"Sec. 2. Minnesota Statutes 1988, section 550.37, subdivision 4a, is amended to read:

Subd. 4a. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) *Except for subdivisions 5 and 7, the dollar amounts in this section shall change periodically as provided in this subdivision to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December, 1980, is the reference base index.*

(b) *The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole*



percentage point, between the index for December of the preceding year and the reference base index is ten percent or more. The portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts stated in this section.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the department of commerce. If the index is superseded, the index referred to in this section is the one represented by the department of commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner of commerce shall announce and publish:

(1) on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b); and

(2) promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if the person relies on dollar amounts either determined according to paragraph (b) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

Sec. 3. Minnesota Statutes 1988, section 550.37, subdivision 5, is amended to read:

Subd. 5. Farm machines and implements used in farming operations by a debtor engaged principally in farming, livestock, farm produce, and standing crops, not exceeding ~~\$10,000~~ \$13,000 in value. 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 exemption in this subdivision, the partners may elect to treat the assets of the partnership as assets of the individual partners.

Sec. 4. Minnesota Statutes 1988, section 550.37, subdivision 7, is amended to read:

Subd. 7. The total value of property selected by a debtor pursuant to subdivisions 5 and 6 shall not exceed ~~\$10,000~~ \$13,000, if the exemptions under subdivisions 5 and 6 are combined.

Sec. 5. Minnesota Statutes 1988, 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 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 45 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.~~

Sec. 6. Minnesota Statutes 1988, section 583.26, subdivision 1, is amended to read:

Subdivision 1. [MEDIATION NOTICE.] (a) A creditor desiring to start a proceeding to enforce a debt against agricultural property 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, must serve an applicable mediation notice under sections 336.9-501, 550.365, 559.209, and 582.039 on the debtor and the director. The creditor must also file with the director proof of the date the mediation notice was served on the debtor. The creditor may not begin the proceeding until the stay of the creditor's remedies is lifted under subdivision 5, or as allowed under sections 583.20 to 583.32.

*(b) For purposes of the farmer-lender mediation act, starting a proceeding to enforce a debt means initiating a proceeding under chapter 550, 580, or 581; sections 336.9-501 to 336.9-508; or section 559.21.*

*(c) The director shall combine all mediation notices for the same debtor that are received prior to the initial mediation meeting into one mediation proceeding."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "limiting certain exemptions relating to farm machinery subject to execution; amending certain provisions of the farmer-lender mediation act;"

Page 1, line 8, delete "section" and insert "sections" and delete "and" and insert "550.37, subdivisions 4a, 5, and 7; 583.24, subdivision 4; 583.26, subdivision 1;"

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 513: A bill for an act relating to veterans; changing the amount of state cash bonus payments to certain members of the Minnesota national guard; appropriating money; amending Laws 1988, chapter 686, article 1, section 21.

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 and Military Affairs, to which was referred

S.F. No. 340: A bill for an act relating to veterans; clarifying the treatment of certain settlement payments for the purposes of certain assistance programs and benefits; proposing coding for new law in Minnesota Statutes, chapter 196.

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. Solon from the Committee on Commerce, to which was referred

S.F. No. 247: A bill for an act relating to the city of Hibbing; authorizing two additional on-sale liquor licenses.

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. 361: A bill for an act relating to insurance; no-fault auto; clarifying eligibility for economic loss benefits; amending Minnesota Statutes 1988, sections 65B.51, subdivision 2; and 65B.64, subdivisions 2 and 3.

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

Page 2, line 16, after "children" insert "*and adults who have been adjudicated as incompetent*"

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 intoxicating liquor; authorizing an on-sale liquor license for the Minneapolis convention center; repealing Laws 1973, chapter 505.

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

Page 1, line 9, before "*liquor*" insert "*intoxicating*"

Page 1, line 12, before "*licenses*" insert "*intoxicating liquor*"

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. 60: A bill for an act relating to water; recodifying, clarifying, and relocating provisions relating to water law; amending Minnesota Statutes 1988, sections 9.071; 16B.62, subdivision 1; 18.191; 18B.07, subdivision 6; 40A.13, subdivision 1; 41B.039, subdivision 3; 84.083, by adding subdivisions; 84.91, subdivision 4; 84.911, subdivisions 5 and 6; 84.95, subdivision 2; 85.33, subdivision 3; 86A.05, subdivision 10; 88.43, subdivision 2; 93.335, subdivision 1; 94.343, subdivision 4; 97A.015, subdivision 41; 97A.071, subdivision 4; 97A.101, subdivision 2; 115.097, subdivision 2; 144.95, subdivision 4; 156A.10, subdivision 2; 161.28, subdivision 1; 163.17; 272.02, subdivisions 1 and 6; 273.19, subdivision 5; 295.44, subdivision 1; 357.021, subdivision 2; 375.471; 383A.602, subdivision 5; 383A.604, subdivision 1; 394.25, subdivision 2; 459.20; 462.357, subdivision 1; 465.20; 469.141, subdivision 4; 469.174, subdivision 19; 471.345, subdivision 3; 471.591, subdivision 1; 471.98, subdivision 2; 473.191, subdivision 2; 609.68; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A; 156A; and 375; proposing coding for new law as Minnesota Statutes, chapters 86B; 103A; 103B; 103C; 103D; 103E; 103F; and 103G; repealing Minnesota Statutes 1988, sections 40.01 to 40.45; 84.031; 84.032; and 84.158; 104.01 to 104.50; 105.37 to 105.81; 106A.005 to 106A.811; 110.13 to 110.72; 110B.01 to 110B.35; 112.34 to 112.89; 114.12 and 114.13; 114B.01 to 114B.07; 116C.41; 361.01 to 361.29; 378.01 to 378.57; 465.18; and 473.875 to 473.883.

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

- Page 1, line 38, delete "103A.01" and insert "103A.001"
- Page 2, line 6, delete "103A.02" and insert "103A.201"
- Page 2, line 20, delete "103A.03" and insert "103A.202"
- Page 2, line 29, delete "103A.04" and insert "103A.203"
- Page 3, line 3, delete "103A.05" and insert "103A.205"
- Page 3, line 12, delete "111.82" and insert "111.72"
- Page 3, line 13, delete "103A.06" and insert "103A.206"
- Page 3, line 14, delete "*land-use*" and insert "*land use*"
- Page 3, line 21, delete "*the*"
- Page 3, line 30, delete "103A.07" and insert "103A.207"
- Page 3, line 36, delete "*to not prohibit but*" and insert "*not to prohibit but to*"
- Page 4, line 10, delete "103A.08" and insert "103A.208"
- Page 4, line 18, delete "103A.09" and insert "103A.209" and delete "ERODABLE" and insert "ERODIBLE"
- Page 4, line 21, delete "*erodable*" and insert "*erodible*"

Page 4, line 24, delete "103A.10" and insert "103A.211"

Page 4, line 35, delete "103A.20" and insert "103A.301"

Page 5, line 5, delete "involved" and insert "involves"

Page 5, line 15, delete ", and" and insert "in which"

Page 5, line 19, delete "resolving" and insert "resolution of"

Page 5, line 24, delete "103A.21" and insert "103A.305"

Page 5, line 25, delete the comma

Page 5, delete lines 30 to 33 and insert "article 5, sections 2 and 3; article 7, sections 26, subdivisions 1 to 6; 27; 28; 31 to 35; 36, subdivisions 1, 10, and 11; 37; 38; 41; 42; 50 to 56; sections 84.57; 97A.135; 115.04; or 115.05. [105.74]"

Page 5, line 34, delete "103A.22" and insert "103A.311"

Page 6, line 33, delete "intervene" and insert "allow intervention in"

Page 6, line 36, delete "103A.23" and insert "103A.315"

Page 7, line 8, delete "103A.24" and insert "103A.321"

Page 7, line 16, delete "103A.25" and insert "103A.325"

Page 7, line 21, delete "it refuses to" and insert "the board may not"

Page 7, line 28, delete "103A.26" and insert "103A.331"

Page 7, line 36, delete "2." and insert "2."

Page 8, line 10, after "court" insert "of"

Page 8, line 16, delete "103A.27" and insert "103A.335"

Page 8, line 27, delete the first "or" and after the second "or" insert "refusal"

Page 9, line 10, delete "to disclose" and insert "in disclosing"

Page 9, line 12, delete "103A.28" and insert "103A.341"

Page 9, delete lines 16 and 17

Pages 9 and 10, delete section 20

Page 10, line 4, delete "103A.40" and insert "103A.401"

Page 10, line 5, after "commissioner" insert "of natural resources"

Page 10, line 13, delete "103A.41" and insert "103A.405"

Page 10, line 21, delete "103A.42" and insert "103A.411"

Renumber the sections of article 1 in sequence

Page 11, line 11, delete "official of, any" and insert "officials of, a"

Page 13, line 18, after "under" insert "section 26, subdivision 9;"

Page 13, line 19, delete everything before "and"

Page 16, after line 33, insert:

"Subd. 8. [METROPOLITAN AREA.] "Metropolitan area" has the meaning given in section 473.121, subdivision 2."

Renumber the subdivisions in sequence

Page 18, line 18, after "16" insert a comma

Page 18, line 34, before "A" insert "(a)"

Page 19, line 16, before "The" insert:

"(b)" and after "in" insert "paragraph (a)," and after "(1)" insert a comma

Page 20, line 21, after "petition" insert a comma

Page 20, line 25, after "If" insert "a"

Page 22, line 18, before the period, insert "takes effect"

Page 27, line 7, after "in" insert "article 4,"

Page 27, line 8, after "31" insert a comma

Page 27, line 20, delete everything after "resources" and insert ", health, and the pollution control"

Page 28, line 17, after "with" insert "the"

Page 29, line 14, after "to" insert "meet"

Page 35, line 23, delete "section 70" and insert "sections 71 and 72"

Page 35, line 25, delete "thereunder"

Page 37, line 13, delete "8" and insert "7"

Page 39, line 17, delete everything after "resources" and insert ", health, and the pollution control"

Page 39, lines 20 and 23, delete "water resources board" and insert "board of water and soil resources"

Page 46, line 33, delete "legislative commission on" and after "Minnesota" insert "future"

Page 46, line 34, after "resources" insert "commission"

Page 49, line 5, delete the period and insert a semicolon

Page 52, delete line 14 and insert "submit to the Minnesota future resources commission a"

Page 52, delete lines 33 and 34

Pages 52 to 59, delete sections 29 to 37

Page 59, line 23, delete "commissioner" and insert "commissioners" and delete "director of the"

Page 60, line 7, delete everything after "to" and insert "implement projects voluntarily"

Page 61, line 7, after "court" insert a comma and after "be" insert a comma

Page 61, delete lines 9 and 10

Pages 61 to 65, delete sections 39 to 47

Page 65, delete lines 2 and 3

Pages 65 to 68, delete sections 48 to 54

Page 69, line 3, delete "103B.601" and insert "103B.501"

Page 69, line 4, delete "55 to 71" and insert "30 to 46"

Page 69, line 6, delete "103B.605" and insert "103B.505"

Page 69, line 8, delete "56 to 71" and insert "31 to 46"

Page 69, line 17, delete "60" and insert "35"

Page 69, line 21, delete "103B.611" and insert "103B.511"

Page 69, line 22, delete "In order"

Page 69, line 23, delete "of Minnesota"

Page 69, line 24, delete "these" and insert "the"

Page 69, line 25, delete "there is established"

Page 69, line 26, after "program" insert "is established"

Page 69, line 27, delete "as" and insert "where"

Page 69, line 31, delete "which are"

Page 69, line 32, delete everything before the period

Page 69, line 35, after "boundaries" insert a comma

Page 70, line 4, delete "that" and insert "over which"

Page 70, line 5, after "authority" insert a comma

Page 70, line 10, after "for" insert "the"

Page 70, line 12, delete "103B.615" and insert "103B.515"

Page 70, line 33, delete "to the town board"

Page 71, line 21, delete "103B.621" and insert "103B.521"

Page 72, line 8, after the first "board" insert a comma

Page 72, line 26, delete "62" and insert "37"

Page 72, line 29, delete "103B.625" and insert "103B.525"

Page 73, line 1, before "a" insert "by" and delete "58" and insert "33"

Page 73, line 3, delete "103B.631" and insert "103B.531"

Page 73, line 9, delete "59" and insert "34"

Page 73, line 16, delete "board" and insert "boards"

Page 73, line 31, delete "57" and insert "32" and before "be" insert "would"

Page 73, lines 33 and 35, delete "creation" and insert "establishment"

Page 73, line 34, delete ", otherwise" and insert ". If the commissioner does not approve the establishment of the district"

Page 74, line 3, delete "103B.635" and insert "103B.535"

Page 74, line 14, delete "103B.641" and insert "103B.541"

Page 74, line 27, delete "103B.645" and insert "103B.545"

Page 74, line 31, delete "58" and insert "33"

Page 75, line 23, delete "103B.651" and insert "103B.551"

Page 76, line 9, after "related" insert "land"

Page 76, lines 18 and 21, delete "17" and insert "21"

Page 76, line 30, after "transmit" insert "the results of"

Page 77, line 7, delete "county or city" and insert "counties or cities"

Page 77, line 16, delete "55 and 58" and insert "59 and 62"

Page 77, line 17, delete "103B.655" and insert "103B.555"

Page 77, line 31, delete "may"

Page 78, line 6, delete "its" and insert "their"

Page 78, line 8, delete "103B.661" and insert "103B.561"

Page 78, lines 10 and 22, delete "61" and insert "36"

Page 78, line 19, delete "103B.665" and insert "103B.565"

Page 78, line 21, delete "60" and insert "35"

Page 78, line 26, delete "103B.671" and insert "103B.571"

Page 78, line 33, delete "weeks" and insert "weeks"

Page 79, line 12, delete "as" and insert "that" and delete "it" and insert "them"

Page 79, line 25, delete "103B.675" and insert "103B.575"

Page 79, lines 28 and 29, delete "57 to 63" and insert "32 to 38"

Page 79, line 30, delete "103B.681" and insert "103B.581"

Page 80, line 3, delete "determine" and insert "determines"

Page 80, line 7, delete "Upon" and insert "On"

Page 80, line 24, delete "103B.701" and insert "103B.601"

Page 80, line 26, delete "72 to 79" and insert "47 to 54"

Page 80, delete lines 31 and 32 and insert:

"Subd. 4. [MUNICIPALITY.] *The term "municipality" means the home rule charter and statutory cities of Minnetrista, Mound, Spring Park, Orono, Minnetonka Beach, Wayzata, Minnetonka, Woodland, Deephaven, Shorewood, Greenwood, Excelsior, Tonka Bay, and Victoria.*"

Page 80, line 33, delete "103B.705" and insert "103B.605"

Page 80, line 36, after the second comma, insert "and"

Page 81, line 16, delete "103B.711" and insert "103B.611"

Page 81, line 32, delete "37, 38" and insert "41, 42"

Page 81, line 33, delete "46, 47, 48, 49, 50, and 51" and insert "50, 51, 52, 53, 54, and 55"

Page 83, line 4, delete "is" and insert "are"

Page 83, line 5, delete "103B.715" and insert "103B.615"

Page 83, line 15, delete "be" and insert "are"



Page 83, line 18, delete "103B.721" and insert "103B.621"

Page 83, line 21, delete "MN L 1967" and insert "[MN L 1967"

Page 84, line 8, delete the second "and" and insert a period

Page 84, line 9, after the comma, insert "*the treasurer must*"

Page 84, line 24, delete "103B.725" and insert "103B.625"

Page 85, line 6, delete "103B.731" and insert "103B.631"

Page 85, line 14, delete "103B.735" and insert "103B.635"

Page 86, line 4, delete "103B.751" and insert "103B.651"

Page 86, line 6, delete "80 to 88" and insert "55 to 63"

Page 86, line 15, delete "103B.755" and insert "103B.655"

Page 86, line 18, after the first comma, insert "and"

Page 86, line 35, delete "103B.761" and insert "103B.661"

Page 88, line 12, delete everything after the second comma and insert "*for which a bond may not be*"

Page 88, line 19, delete "103B.765" and insert "103B.665"

Page 88, line 29, delete "be" and insert "are"

Page 88, line 31, delete "103B.771" and insert "103B.671"

Page 89, line 35, delete everything after "*compensation*"

Page 89, delete line 36

Page 90, line 1, delete everything before the period and insert "*to cover hiring clerks and to carry out the treasurer's duties*"

Page 90, line 2, delete "103B.775" and insert "103B.675"

Page 90, delete line 15 and insert "*and other powers granted by the board, except the director does not have authority to*"

Page 90, line 20, delete "103B.781" and insert "103B.681"

Page 91, line 10, delete "103B.785" and insert "103B.685"

Page 91, line 20, delete "103B.791" and insert "103B.691"

Page 91, line 27, after "*notice*" insert "*from a municipality must hear objections to the budget. After the hearing, the board may modify or amend the budget. Notice must be given*"

Page 92, delete lines 6 and 7

Pages 92 to 104, delete sections 89 to 109

Renumber the sections of article 2 in sequence

Page 104, line 15, delete "103C.01" and insert "103C.001"

Page 104, after line 19, insert:

"Sec. 2. [103C.005] [SOIL AND WATER CONSERVATION POLICY.]

*Improper land use practices have caused serious wind and water erosion of the land of this state, the runoff of polluting materials, increased costs to maintain agricultural productivity, increased energy costs and increased*

*flood damage. Land occupiers have the responsibility to implement practices to correct these conditions and conserve the soil and water resources of the state. It is the policy of the state to encourage land occupiers to conserve soil and water resources through the implementation of practices that effectively reduce or prevent erosion, sedimentation, siltation and agriculturally related pollution in order to preserve natural resources, ensure continued soil productivity, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wildlife, protect the tax base, and protect public lands. [40.02]"*

Page 104, line 20, delete "103C.03" and insert "103C.009"

Page 104, line 23, delete "103C.05" and insert "103C.101"

Page 104, line 27, delete "include" and insert "means"

Page 105, line 21, delete "12" and insert "13" and delete "13" and insert "14"

Page 106, line 10, delete "103C.10" and insert "103C.201"

Page 107, line 32, delete "land-use" and insert "land use"

Page 110, line 1, delete "case" and insert "cast"

Page 111, line 34, delete everything before "so" and insert "to the name of another district in the state, and is not"

Page 112, line 20, after "whether" insert "an"

Page 112, line 21, after "determine" insert "whether"

Page 112, line 22, delete "district where"

Page 112, line 32, delete "103C.11" and insert "103C.205"

Page 113, line 11, delete "with" and insert "within"

Page 113, line 13, delete "103C.12" and insert "103C.211"

Page 114, line 9, delete "103C.13" and insert "103C.215"

Page 114, line 15, delete "103C.14" and insert "103C.221"

Page 114, line 16, after "OFFICE.]" insert paragraph coding

Page 114, line 19, after "and" insert "by"

Page 114, line 21, delete "103C.15" and insert "103C.225"

Page 117, line 2, delete "103C.16" and insert "103C.231"

Page 117, line 7, delete "30 to 41" and insert "57 to 68"

Page 117, line 14, delete "(b)" and insert "(c)"

Page 117, line 36, delete "103C.17" and insert "103C.235"

Page 118, line 7, delete "30 to 41" and insert "57 to 68"

Page 118, line 12, delete "103C.20" and insert "103C.301"

Page 119, line 14, delete "103C.21" and insert "103C.305"

Page 119, lines 16 and 24, delete "12" and insert "13"

Page 119, line 33, delete "14" and insert "15"

- Page 120, line 27, delete "103C.22" and insert "103C.311"
- Page 121, line 13, delete "103C.23" and insert "103C.315"
- Page 121, line 14, delete "*be*" and insert "*consist of*"
- Page 121, line 15, delete "4" and insert "5"
- Page 121, line 16, delete "*12 and 13*" and insert "*13 and 14*"
- Page 122, line 7, delete "103C.24" and insert "103C.321"
- Page 123, line 2, delete "103C.25" and insert "103C.325" and after "TO" insert "STATE"
- Page 123, line 19, delete "103C.26" and insert "103C.331"
- Page 124, line 14, delete everything before "*structural*"
- Page 124, line 35, delete "*30 to 41*" and insert "*57 to 68*"
- Page 125, line 11, delete "*30 to 41*" and insert "*57 to 68*"
- Page 125, line 24, after "*other*" insert "*land use, soil erosion reduction, and agricultural*"
- Page 126, lines 2 and 8, delete "22" and insert "23"
- Page 126, line 36, delete "*30 to 41*" and insert "*57 to 68*"
- Page 128, line 20, delete "*associations*" and insert "*the associations' membership*"
- Page 128, line 31, delete "103C.27" and insert "103C.335"
- Page 129, line 11, delete "103C.30" and insert "103C.401" and delete the first "AND"
- Page 129, line 14, delete "*that are*"
- Page 129, line 20, delete "*board*" and insert "*boards*"
- Page 130, line 2, delete "*of erosion*" and insert "*relating to erosion control*"
- Page 130, lines 15 and 23, delete "*agriculturally-related*" and insert "*agriculturally related*"
- Page 130, line 26, delete everything before "*established*"
- Page 131, line 4, delete "103C.31" and insert "103C.405"
- Page 131, line 9, after "*emphasize*" insert "*the*"
- Page 131, line 11, after "*and*" insert "*the*"
- Page 131, line 13, delete "PLAN" and after "HEARING" insert "ON PLAN"
- Page 131, line 15, delete "*a*" and delete "*agency*" and insert "*agencies*"
- Page 131, line 27, delete "103C.40" and insert "103C.501"
- Page 132, line 5, delete "*18*" and insert "*19*"
- Page 132, line 21, delete "*work annual*" and insert "*and annual work*"
- Page 133, line 3, delete "*system*" and insert "*systems*"
- Page 133, line 31, delete "103C.50" and insert "103C.601"

- Page 135, line 12, delete "By" and insert "In"
- Page 135, line 18, delete "24" and insert "25"
- Page 135, line 24, after the first "of" insert "the"
- Page 135, line 36, after "and" insert "the"
- Page 136, line 1, delete "that"
- Page 136, line 2, delete everything before "federal" and insert "not expected to be paid by"
- Page 136, line 3, delete the first "the"
- Page 136, line 4, after "and" insert "the district board may"
- Page 136, line 16, before "containing" insert "and"
- Page 136, line 21, delete "give" and insert "provide"
- Page 137, line 7, delete "follow" and insert "following"
- Page 137, line 15, delete "103C.51" and insert "103C.605"
- Page 138, line 5, delete "section 103E.205" and insert "article 5, section 27"
- Page 138, line 10, delete "section 103E.261" and insert "article 5, section 39"
- Page 138, line 19, after "(3)" insert "in"
- Page 138, line 21, delete everything after "(4)" and insert "within the estimated cost for which funds"
- Page 138, line 30, delete "103C.52" and insert "103C.611"
- Page 138, line 31, delete "no" and insert "a"
- Page 138, line 32, after "is" insert "not"
- Page 139, line 1, delete "section 103E.341" and insert "article 5, section 57"
- Page 139, line 4, delete "section 103E.325" and insert "article 5, section 54"
- Page 139, line 18, delete "103C.53" and insert "103C.615"
- Page 139, line 22, delete "section 103E.305" and insert "article 5, section 49" and delete "sections 106A.311" and insert "article 5, sections 50"
- Page 139, line 23, delete "103E.315" and insert "51" and delete "103E.321" and insert "52"
- Page 139, line 32, delete "sections 103E.325 to 103E.341" and insert "article 5, sections 54 to 57"
- Page 139, line 34, delete "23 to 30" and insert "24 to 31"
- Page 140, line 23, after "as" insert "is"
- Page 140, line 29, delete "section 103E.601" and insert "article 5, section 77"
- Page 140, line 36, delete "section 103E.635" and insert "article 5, section 84"

Page 141, line 1, delete "*section 103E.635*" and insert "*article 5, section 84*"

Page 141, line 19, delete "103C.54" and insert "103C.621"

Page 141, line 25, delete "103C.55" and insert "103C.625"

Page 141, lines 27 and 31, delete "24" and insert "25"

Page 141, line 33, delete "103C.56" and insert "103C.631"

Page 142, lines 12 and 19, delete "*sections 103E.701 to 103E.745*" and insert "*article 5, sections 90 to 100*"

Page 142, line 21, delete "103C.57" and insert "103C.635"

Page 142, line 23, after "*proceeding*" insert "*under*" and delete "23 to 29," and insert "24 to 30"

Page 142, line 25, delete "*sections 103E.091 and 103E.095*" and insert "*article 5, sections 19 and 20*"

Page 142, line 27, delete "*sections 103E.091 and 103E.095,*" and insert "*article 5, sections 19 and 20*"

Page 142, line 30, delete "*of the board*"

Page 142, delete lines 31 and 32 and insert "*made under sections 24 to 30 by the board, joint board of county commissioners, district board, or joint district board if the order*"

Renumber the sections of article 3 in sequence

Page 144, line 30, delete "*that*" and insert "*for which*"

Page 145, line 25, after "*is*" insert "*in*"

Page 148, line 12, delete the first "*groundwater*" and insert "*its*"

Page 148, line 13, delete "*use*" and insert "*purposes*"

Page 148, line 27, after "*or*" insert "*would*"

Page 148, line 29, after "*by*" insert "*illustration in*"

Page 148, line 32, after "(7)" insert "*a list of*"

Page 149, line 4, delete everything after "*by*" and insert "*one or more of the following groups:*"

Page 149, line 5, delete "*at least*" and after "*one-half*" insert "*or more*"

Page 149, line 7, delete everything after "(2)" and insert "*counties having 50 percent or more of the area*"

Page 149, line 9, delete "*by*"

Page 149, line 11, delete "*by at least*" and insert "*or more*"

Page 151, line 22, delete "*district*" and insert "*district's*"

Page 152, line 9, delete "*districts*" and insert "*district*"

Page 152, line 15, delete "*that are*"

Page 153, line 25, delete "*personally serve each manager selected*" and insert "*have each manager personally served*"

Page 154, line 19, after "*section*" insert a comma

Page 154, line 34, after "by" insert "*illustration in*"

Page 155, lines 6, 8, 10, and 12, delete "*with*" and insert "*if*" and after "*change*" insert "*were adopted*"

Page 155, line 17, delete everything after "*managers*"

Page 155, delete line 18 and insert "*must pass a resolution authorizing the boundary change before the*"

Page 155, line 19, delete "*to*"

Page 156, line 6, delete "*with*" and insert "*to*"

Page 156, line 16, delete "*interest*" and insert "*purposes*"

Page 157, line 15, after "*not*" insert "*received*"

Page 158, line 15, after the second "*the*" insert "*proposed*"

Page 159, line 35, delete "*end on*" and insert "*ends on the date of*"

Page 160, line 15, delete "*remain*" and insert "*remains*"

Page 160, line 31, delete everything after "*district*" and insert "*may only be initiated by filing a*"

Page 160, line 32, after the period, insert "[112.411 s. 1]"

Page 161, line 1, delete "112.441" and insert "112.411"

Page 161, line 12, delete the second "*for*" and insert "*of*"

Page 161, line 17, delete "*if*" and insert "*from the tax records whether*"

Page 161, line 19, delete "*from the tax records*"

Page 161, line 32, delete "*subdivision 3*" and insert "*subdivisions 4 and 5*"

Page 163, line 9, delete everything before "*by*" and insert "*must provide that managers are distributed*"

Page 163, delete line 35 and insert "*filing a petition with the secretary of the board.*"

Page 163, line 36, delete "*managers.*"

Page 164, delete line 3 and insert "*by one or more of the following groups:*"

Page 164, line 4, delete "*at least*" and after "*one-half*" insert "*or more*"

Page 164, line 6, delete "*having at least*" and insert "*with*" and after "*percent*" insert "*or more*"

Page 164, line 8, after "*majority*" insert "*or greater number*"

Page 164, line 9, delete "*at least*" and after "*50*" insert "*or more*"

Page 167, line 11, delete "*its*" and insert "*the board's*"

Page 167, line 31, delete everything after "*service*"

Page 167, line 32, delete "*of managers*" and insert "*of their selection*"

Page 168, line 21, before "PRINCIPAL" insert "CHANGE OF" and after "BUSINESS" delete "CHANGE"

Page 168, line 26, after "*of*" insert "*the*"

Page 168, line 29, delete "*before the date of the hearing*".

Page 169, line 15, before the period, insert "*undertaken by the district*"

Page 170, line 26, before "*The*" insert "(a)"

Page 170, after line 28, insert:

"(b) *The exercise of the managers' powers is subject to review by the board as provided in this chapter. [112.43 s. 4]*"

Page 172, line 32, after the second comma, insert "*and*"

Page 172, line 33, delete "*and require the*" and insert "*, and may require a*"

Page 174, line 21, delete "*flood plain*" and insert "*floodplain*"

Page 175, line 19, delete "*make*" and insert "*have*"

Page 175, line 20, after "*audit*" insert "*completed*"

Page 176, line 28, delete "DIRECTOR" and insert "DIRECTOR'S" and delete "COUNCIL" and insert "COUNCIL'S"

Page 177, line 8, delete "*recommendation*" and insert "*recommendations*"

Page 178, line 34, delete "*3 to 5*" and insert "*2 to 4*"

Page 179, line 4, delete "*revised watershed management plan*"

Page 179, line 23, after "*council*" insert "*, if applicable,*"

Page 180, line 21, delete "*to be*"

Page 182, line 5, delete "*continues*" and insert "*continue*"

Page 182, line 18, delete "IMPROVED"

Page 183, line 3, delete "*finds*" and insert "*find*"

Page 183, line 4, delete "*does*" and insert "*do*"

Page 183, line 23, delete "*fails*" and insert "*fail*"

Page 185, line 7, after "*bond*" insert "*of at least \$250*"

Page 185, line 8, delete "*of at least \$250*"

Page 187, line 21, after "*injunction*" insert a comma

Page 189, line 23, delete "STATE OR"

Page 189, line 24, delete "FEDERAL" and after "GOVERNMENT" insert "AID OR AS PART OF PLAN"

Page 189, line 31, delete "*expenses*" and insert "*cost*"

Page 189, line 36, delete "BOARD OF DIRECTOR" and insert "BOARD'S AND DIRECTOR'S"

Page 190, line 6, delete "*report*" and insert "*reports*"

Page 190, line 7, delete the first "*project*"

Page 190, line 17, after "*is*" insert "*to be*"

Page 191, line 7, before "*director*" insert "*the*" and delete "*and the board and*" and insert a period

Page 191, line 8, after "*and*" insert "*the board shall prepare*"

- Page 191, line 24, after “*director*” insert a comma
- Page 191, line 25, after “*assessed*” insert “*and*”
- Page 191, line 33, after the first “*and*” insert “*will*” and after the second “*and*” insert “*that it*”
- Page 192, line 29, delete the first “*the*”
- Page 192, line 35, delete “*as*” and after “*in*” insert “*the manner for*”
- Page 192, line 36, after the first “*notice*” insert a comma
- Page 193, line 10, delete “*listing*” and insert “*with the auditor of a county that lists*”
- Page 193, line 12, delete “*with the auditor*”
- Page 193, line 13, delete “*of a county*”
- Page 193, line 24, after “*government*” insert “. *The notice of pendency must be recorded*”
- Page 194, line 7, after “*property*” insert “*to be*”
- Page 195, lines 24 and 25, delete “*section 103E.005*” and insert “*article 5, section 1*”
- Page 196, line 25, delete “*by*”
- Page 196, line 29, delete “*weeks*” and insert “*weeks*’”
- Page 197, line 4, delete the second “*is*”
- Page 197, line 21, after “*condition*” insert “*so*”
- Page 197, line 31, after “*project*” insert a comma
- Page 198, line 5, delete “*section 103E.731*” and insert “*article 5, section 97*”
- Page 198, line 12, delete “*(a)*”
- Page 199, line 12, delete “*sections 103E.601 to 103E.631*” and insert “*article 5, sections 77 to 83*”
- Page 200, lines 18 and 19, delete “*section 103E.005*” and insert “*article 5, section 1*”
- Page 200, line 22, delete “*section 103E.005*” and insert “*article 5, section 1*”
- Page 200, line 28, delete “*section 103E.215*” and insert “*article 5, section 29*”
- Page 202, line 17, before “*The*” insert “*(a)*”
- Page 205, lines 10 and 11, delete “*sections 103E.025 and 103E.315*” and insert “*article 5, sections 5 and 51*”
- Page 205, lines 12 and 34, delete “*sections 103E.025 and 103E.315*” and insert “*article 5, sections 5 and 51*”
- Page 205, lines 35 and 36, delete “*sections 103E.025 and 103E.315*” and insert “*article 5, sections 5 and 51*”
- Page 206, line 11, delete “*sections 103E.311 to 103E.321*” and insert “*article 5, sections 50 to 52*”



Page 208, line 4, delete "and"

Page 208, line 8, delete the second "and" and insert "or"

Page 208, line 10, delete the period and insert "; and"

Page 208, line 11, delete "(b)" and insert "(6)"

Page 211, line 10, delete "section 103E.511" and insert "article 5, section 65"

Page 214, lines 33 and 35, delete "section 103E.635" and insert "article 5, section 84"

Page 215, lines 5 and 6, delete "sections 103E.601 to 103E.631" and insert "article 5, sections 77 to 83"

Page 222, line 8, delete "103E.241" and insert "35"

Page 224, line 6, delete "17" and insert "21"

Page 224, line 10, delete "60" and insert "16"

Page 225, line 15, delete "5, 10, 25," and insert "5-, 10-, 25-,"

Page 226, line 35, delete "103E.705" and insert "91"

Page 233, line 8, delete "103E.005 to 103E.811" and insert "1 to 103"

Page 233, line 20, delete "103E.015" and insert "3"

Page 236, line 10, delete "103E.091 or 103E.095" and insert "19 or 20"

Page 238, line 14, after "s." insert "2,"

Page 242, line 12, delete "103E.205" and insert "27"

Page 243, line 10, delete "103E.731" and insert "97"

Page 245, line 27, delete "103E.202" and insert "27"

Page 245, line 36, delete "103E.401" and insert "60"

Page 248, line 19, delete "103E.645" and insert "86"

Page 249, lines 13 and 26, delete "103E.015" and insert "3"

Page 250, lines 17 and 36, delete "103E.015" and insert "3"

Page 251, line 17, delete "103E.015" and insert "3"

Page 252, line 29, delete "103E.015" and insert "3"

Page 253, line 11, delete "103E.015" and insert "3"

Page 253, line 23, delete "103E.401" and insert "60"

Page 255, lines 27 and 28, delete "sections 103E.205 and 103E.211" and insert "section 27"

Page 256, line 3, delete "103E.261" and insert "39"

Page 257, line 16, delete "103E.021" and insert "4"

Page 258, line 14, delete "103E.021" and insert "4"

Page 258, line 22, delete "103E.281" and insert "44"

Page 259, line 3, delete "103E.015" and insert "3"

Page 260, line 6, delete "103E.015" and insert "3"

Page 261, line 3, delete "103E.025" and insert "5"

Page 261, line 17, delete "103E.525" and insert "68"

Page 262, line 36, delete "103E.021" and insert "4"

Page 263, line 21, delete "103E.021" and insert "4"

Page 263, line 28, delete "60" and insert "16"

Page 265, line 9, delete "60" and insert "16"

Page 265, line 27, delete "103E.321" and insert "52"

Page 267, line 5, delete "103E.035" and insert "7"

Page 268, line 30, delete "103E.015" and insert "3"

Page 270, line 11, delete "103E.311 to 103E.321" and insert "50 to 52"

Page 270, line 19, delete "103E.325, 103E.335, and 103E.341" and insert "54, 56, and 57"

Page 270, line 32, delete "103E.091" and insert "19"

Page 272, line 10, delete "103E.601" and insert "77"

Page 277, line 3, delete "103E.015" and insert "3"

Page 278, line 30, delete "103E.501" and insert "63"

Page 281, line 32, delete "103E.091" and insert "19"

Page 284, line 7, delete "103E.021" and insert "4"

Page 291, line 36, delete "103E.611" and insert "79"

Page 292, line 3, delete "103E.611" and insert "79"

Page 298, line 24, delete "103E.635" and insert "84"

Page 302, line 27, delete "103E.525" and insert "68"

Page 303, line 1, delete "103E.351" and insert "59"

Page 303, lines 7 and 8, delete "103E.701 to 103E.745" and insert "90 to 100"

Page 303, line 11, delete "103E.526" and insert "69"

Page 303, lines 17, 26, and 29, delete "103E.021" and insert "4"

Page 304, lines 1, 3, 8, 10, 14, and 25, delete "103E.021" and insert "4"

Page 308, line 27, delete "103E.315 and 103E.321" and insert "51 and 52"

Page 308, lines 29 and 30, delete "103E.325, 103E.335, and 103E.341" and insert "54, 56, and 57"

Page 308, line 32, delete "103E.315" and insert "51"

Page 309, line 4, delete "103E.741" and insert "99"

Page 310, line 19, delete "103E.731" and insert "97"

Page 310, line 35, delete "103E.021" and insert "4"

Page 312, line 4, delete "103E.601" and insert "77"

Page 312, line 5, delete "103E.605, 103E.611, and 103E.615" and insert "78, 79, and 80"

Page 312, line 15, delete "103E.635" and insert "84"

Page 313, lines 3 and 5, delete "103E.731" and insert "97"

Page 313, line 34, delete "103E.305" and insert "49"

Page 314, line 3, delete "103E.315" and insert "51"

Page 314, line 5, delete "103E.325" and insert "54"

Page 314, line 7, delete "103E.331" and insert "55"

Page 314, line 15, delete "103E.091" and insert "19"

Page 314, line 29, delete "103E.215" and insert "29"

Page 315, line 4, delete "103E.351" and insert "59"

Page 315, line 9, delete "103E.805 or 103E.811" and insert "102 or 103"

Page 319, line 31, delete "12" and insert "13"

Page 320, line 29, delete "13" and insert "15"

Page 324, lines 6, 8, 12, and 14, delete "sections" and insert "section"

Page 327, lines 13 and 21, delete "12" and insert "13"

Page 327, after line 22, insert:

"Sec. 12. [103F151] [FLOOD PRONE AREA INVENTORY AND ASSESSMENT.]

*The commissioner shall conduct a statewide inventory and flood damage assessment of flood prone structures and lands. [104.10]"*

Page 327, line 23, delete "[103F161]" and insert "[103F155]"

Page 328, after line 1, insert:

"Sec. 14. [103F161] [FLOOD HAZARD MITIGATION GRANTS.]

*Subdivision 1. [GRANTS AUTHORIZED.] The commissioner may make grants to local governments to:*

*(1) conduct floodplain damage reduction studies to determine the most feasible, practical, and effective methods and programs for mitigating the damages due to flooding within flood prone rural and urban areas and their watersheds; and*

*(2) plan and implement flood mitigation measures. [104.11 s. 1]*

*Subd. 2. [ACTION ON GRANT APPLICATIONS.] (a) A local government may apply to the commissioner for a grant on forms provided by the commissioner. The commissioner shall confer with the local government requesting the grant and may make a grant up to \$75,000 based on the following considerations:*

*(1) the extent and effectiveness of mitigation measures already implemented by the local government requesting the grant;*

(2) the feasibility, practicality, and effectiveness of the proposed mitigation measures and the associated nonflood related benefits and detriments;

(3) the level of grant assistance that should be provided to the local government, based on available facts regarding the nature, extent, and severity of flood problems;

(4) the frequency of occurrence of severe flooding that has resulted in declaration of the area as a flood disaster area by the president of the United States;

(5) the economic, social, and environmental benefits and detriments of the proposed mitigation measures;

(6) whether the floodplain management ordinance or regulation adopted by the local government meets the minimum standards established by the commissioner, the degree of enforcement of the ordinance or regulation, and whether the local government is complying with the ordinance or regulation;

(7) the degree to which the grant request is consistent with local water plans developed under chapters 103B and 103D;

(8) the financial capability of the local government to solve its flood hazard problems without financial assistance; and

(9) the estimated cost and method of financing of the proposed mitigation measures based on local money and federal and state financial assistance.

(b) If the amount of the grant requested is \$75,000 or more, the commissioner shall determine, under the considerations in paragraph (a), whether any part of the grant should be awarded. The commissioner must submit an appropriation request to the governor and the legislature for funding consideration before each odd-numbered year, consisting of requests or parts of grant requests of \$75,000 or more. The commissioner must prioritize the grant requests, under the considerations in paragraph (a), beginning with the projects the commissioner determines most deserving of financing.

(c) A grant may not exceed one-half the total cost of the proposed mitigation measures.

(d) After July 1, 1991, grants made under this section may be made to local governments whose grant requests are part of, or responsive to, a comprehensive local water plan prepared under chapter 103B or 103D. [104.11 s. 2]"

Page 328, line 2, delete "[103F171]" and insert "[103F165]"

Page 328, after line 27, insert:

"SOUTHERN MINNESOTA RIVERS BASIN AREA II

Sec. 16. [103F171] [SOUTHERN MINNESOTA RIVERS BASIN AREA II BOUNDARIES.]

For the purposes of sections 16 to 24, the term "southern Minnesota rivers basin area II" means the area within the watersheds of rivers and streams that are tributaries of the Minnesota river from the south between the cities of Ortonville and Mankato. Major rivers included within the watershed are the Yellow Bank, Lac Qui Parle, Yellow Medicine, Redwood, and Cottonwood. All of Lac Qui Parle, Yellow Medicine, and Redwood

*counties, and parts of Lincoln, Lyon, Pipestone, Murray, Cottonwood, and Brown counties are included within the boundaries of the area. [104.42]*

**Sec. 17. [103E173] [PROGRAM.]**

*There shall be a state grant-in-aid pilot program of providing financial assistance to units of local government, including counties, soil and water conservation districts, and watershed districts, located in the southern Minnesota river basin area II for project and construction costs for the building of floodwater retarding and retention structures within a general plan for floodplain management. [104.43]*

**Sec. 18. [103E175] [AID FORMULA.]**

*Grants may be made by the board of water and soil resources to a local governmental unit for the purposes of sections 16 to 24 in an amount not to exceed 75 percent of the total cost of each project, including site acquisition, engineering, and construction. If federal funds are being utilized for a portion of the project costs, the state contribution may not exceed 50 percent of the remaining nonfederal costs. If the structure is located in the state of South Dakota, the two states shall share the nonfederal costs equally. Money granted by the state may not be used for any project of stream channelization. [104.44]*

**Sec. 19. [103E177] [OPERATION WITHIN AGENCY.]**

*Subdivision 1. [BOARD OF WATER AND SOIL RESOURCES.] The board of water and soil resources shall supervise the grant-in-aid pilot program pursuant to sections 16 to 24.*

*Subd. 2. [PROCEDURES AND FORMS.] The board shall devise procedures and forms for application for grants by the local units of government, and review of and decision on the applications by the state board.*

*Subd. 3. [STAFF POSITION.] A professional engineer shall be employed by the board to work exclusively on the technical implementation and engineering of the pilot project established pursuant to sections 16 to 24. The engineer shall assist the local units of government and the board to achieve the purposes of the project, and shall have duties including:*

- (1) field review and analysis of projects and project sites;*
- (2) preparation of permit applications, including evaluation of environmental effects;*
- (3) development of recommended pertinent provisions of permits for specific projects;*
- (4) preparation of plans for further consideration of remedial flood control structural measures as part of a general rural floodplain management effort; and*
- (5) evaluation of the effectiveness of completed projects constructed under this project. [104.45]*

**Sec. 20. [103E179] [SELECTION OF PROJECTS.]**

*Subdivision 1. [EVALUATION OF AREA AND SITES; FEDERAL COOPERATION.] Before a grant is made, a priority system shall be devised for the selection of projects to receive the aid. The board of water and soil resources is the granting authority and shall cooperate with the United States Army Corps of Engineers, the department of natural resources, the*

*Soil Conservation Service and the area II action committee in analysis of the general floodplain management plan for the area and in hydrological and engineering studies on specific proposed sites. From that information, the board of water and soil resources shall determine the relative severity of the flooding problem which would be wholly or partly solved by each project. The range of priorities based on these findings shall provide a basis for selection of project sites.*

*Subd. 2. [PROJECT REQUIREMENT FOR EACH WATERSHED.] Notwithstanding the requirement in subdivision 1 that project selection be based on a priority system, not more than one project may be located within any one of the Cottonwood, Lac Qui Parle, Redwood, Yellow Medicine, and Yellow Bank rivers watersheds unless agreed upon by the area II action committee composed of representatives of each of those watersheds. [104.46]*

Sec. 21. [103F181] [CONDITIONS FOR GRANTS.]

*Subdivision 1. [LOCAL EXPRESSION OF WILLINGNESS.] The local unit of government shall apply for a grant by a resolution requesting state funding assistance for the construction of a floodwater retention or retarding structure within its jurisdiction. The resolution shall include provisions concerning local funding, if any. The local unit of government shall state its intent to obtain necessary land rights for proposed construction sites and to assume responsibility for maintenance of the structure on its completion.*

*Subd. 2. [GENERAL PLAN.] The local unit of government shall demonstrate that the construction project that it proposes is consistent with its general plan for floodplain management. The general plan of the local government unit shall be in conformity with the policy and objectives of this chapter and shall, where reasonable and practicable, include non-structural means of floodplain management.*

*Subd. 3. [FEDERAL AID AVAILABILITY.] The board of water and soil resources shall complete a detailed analysis of the availability of federal funds and programs to supplement or complement state and local efforts on each project and include the eligibility requirements and time frame for receiving the federal aid.*

*Subd. 4. [ENVIRONMENTAL IMPACT STATEMENT.] The local unit of government, assisted by the project staff engineer, shall make a comprehensive evaluation of the positive and negative environmental effects which would be reasonably likely to take place if the particular proposed project would be constructed. [104.47]*

Sec. 22. [103F183] [APPROVED PROJECTS.]

*Subdivision 1. [CONTRACTS.] When a proposed project is approved to receive a grant, the board of water and soil resources shall negotiate a contract with the local unit of government involved. The contract shall specify the terms of state and local cooperation, including the financing arrangement for the construction and an agreement on maintenance of the structure after completion.*

*Subd. 2. [PERMITS.] Before grant money is spent on construction of the structure, permits required for construction must be obtained from state agencies. [104.48]*

Sec. 23. [103F185] [INTERSTATE COOPERATION.]

*The board of water and soil resources and the staff engineer may enter into a working agreement with the South Dakota-Minnesota Boundary Waters Commission, or successor organization, in regard to flood retention and retarding structures constructed pursuant to sections 16 to 24 that involve territory of the state of South Dakota as well as this state. [104.49]*

Sec. 24. [103F187] [REPORT TO LEGISLATURE.]

*When the project has been in operation for a period of two years, the board of water and soil resources and the staff engineer shall prepare and deliver a report to the legislature on the program and its consequences with an evaluation of the feasibility and benefit of continuing the project. [104.50]"*

Page 329, line 7, delete "14 to 18" and insert "25 to 29"

Page 329, line 35, delete "105.482" and insert "105.485"

Page 330, line 2, delete "state soil"

Page 330, line 3, delete everything before the semicolon and insert "board of water and soil resources"

Page 330, line 16, delete "31" and insert "35"

Page 330, line 27, delete everything after "the"

Page 330, line 28, delete "the commissioner to" and insert "commissioner's model ordinance for"

Page 332, line 19, delete ", by order,"

Page 333, line 2, delete "5" and insert "1"

Page 333, line 11, delete "19 to 28" and insert "30 to 39"

Page 333, line 23, delete "21 to 28" and insert "32 to 39" and after the period, insert "[104.02 s. 1]"

Page 335, lines 17 and 24, delete "14 to 18" and insert "25 to 29"

Page 335, lines 18 and 19, delete "14 to 18" and insert "25 to 29"

Page 335, line 21, delete "19 to 28" and insert "30 to 39"

Page 336, line 11, delete "23" and insert "34"

Page 338, line 25, delete "17" and insert "28"

Page 339, lines 8 and 20, delete "19 to 28" and insert "30 to 39"

Page 339, after line 22, insert:

"LOWER ST. CROIX RIVER"

Page 339, line 23, delete "103E361" and insert "103E351"

Page 341, after line 16, insert:

"MISSISSIPPI HEADWATERS PLANNING AND MANAGEMENT

Sec. 41. [103E361] [FINDINGS AND INTENT.]

*Subdivision 1. [FINDINGS.] The legislature finds that:*

*(1) the Mississippi river from its outlet at Lake Itasca, Clearwater county,*

to the southerly boundary of Morrison county, Minnesota, possesses outstanding and unique natural, scientific, historical, recreational and cultural values deserving of protection and enhancement;

(2) the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing and Morrison have entered into a joint powers agreement pursuant to law to develop a plan for the protection and enhancement of the foregoing values; and

(3) the plan adopted by the counties pursuant to the joint powers agreement establishes guidelines and minimum standards for cooperative local management of this segment of the Mississippi river. [114B.01]

Subd. 2. [LEGISLATIVE INTENT.] *It is the intent of sections 41 to 49 to authorize and direct the board and the counties to implement this comprehensive plan for the Mississippi headwaters area.* [114B.01]

Sec. 42. [103F363] [APPLICABILITY.]

Subdivision 1. [GENERALLY.] *Sections 41 to 49 apply to the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing and Morrison.* [114B.07]

Subd. 2. [LEECH LAKE INDIAN RESERVATION.] *Sections 41 to 49 do not alter or expand the zoning jurisdiction of the counties within the exterior boundaries of the Leech Lake Indian Reservation. The comprehensive plan of the board and the county ordinances adopted pursuant to section 45, subdivision 1, apply only to areas within the zoning jurisdiction of the counties as provided by law in effect prior to May 20, 1981.* [114B.03 s. 4]

Sec. 43. [103F365] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *The definitions in this section apply to sections 41 to 49.* [114B.02 s. 1]

Subd. 2. [BOARD.] *“Board” means the Mississippi headwaters board established under section 44.* [114B.02 s. 1]

Subd. 3. [COUNTIES.] *“Counties” means the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing and Morrison.* [114B.02 s. 1]

Sec. 44. [103F367] [MISSISSIPPI HEADWATERS BOARD.]

Subdivision 1. [ESTABLISHMENT.] *The Mississippi headwaters board established by the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing and Morrison by agreement entered into on February 22, 1980, pursuant to section 471.59, is established as a permanent board with authority to prepare, adopt and implement a comprehensive land use plan designed to protect and enhance the Mississippi River and related shoreland areas situated within the counties.* [114B.02 s. 2]

Subd. 2. [MEMBERSHIP.] (a) *The board shall consist of eight members. The governing body of each county shall appoint one of its members to serve on the board.*

(b) *The terms of board members are two years commencing on the first Monday in January of odd-numbered years.*

(c) *Vacancies on the board shall be filled for the remainder of the term by the governing body that made the original appointment.*



*(d) The governing body of a county may designate another member of the governing body or a county officer to act as an alternate for the member appointed by that county. [114B.02 s. 3]*

*Subd. 3. [OFFICERS.] (a) The board shall annually appoint from among its members a chair, vice-chair, and secretary-treasurer who shall serve for concurrent one year terms.*

*(b) The chair shall preside over all meetings of the board and may call special meetings at reasonable times and upon adequate notice when necessary.*

*(c) The vice-chair shall preside over the meetings of the board in the absence of the chair.*

*(d) The secretary-treasurer or the designee of the secretary-treasurer shall keep a record of all proceedings of the board. The secretary-treasurer shall provide for the proper receipt and disbursement of funds. [114B.02 s. 4]*

*Subd. 4. [MEETINGS.] (a) The regular meetings of the board shall be held at times and places prescribed by it.*

*(b) A majority of all members of the board shall constitute a quorum and a majority vote of all members shall be required for actions taken by the board. [114B.02 s. 5]*

*Subd. 5. [STAFF AND CONTRACTS.] The board may employ staff and contract for goods and services as necessary to implement sections 41 to 49. Contracts are subject to the statutory procedures and restrictions applicable to county contracts. [114B.03 s. 7]*

*Subd. 6. [FUNDING.] The board shall annually submit to each county for its approval an estimate of the funds it will need from that county in the next fiscal year to prepare and implement the comprehensive land use plan and otherwise carry out the duties imposed upon it by sections 41 to 49. Each county shall, upon approval of the estimate by its governing body, furnish the necessary funds to the board. The board may apply for, receive and disburse federal, state and other grants and donations. [114B.03 s. 6]*

*Subd. 7. [ADVISORY COMMITTEES.] The board shall appoint advisory committees, representing a broad geographical area and diverse public interests, and conduct public meetings and hearings necessary to afford the public an opportunity to become fully informed of all deliberations in the preparation and implementation of the plan. [114B.03 s. 2]*

*Subd. 8. [CONTACT WITH GOVERNMENT AGENCIES.] The board shall initiate and maintain contacts with governmental agencies as necessary to properly prepare the plan and shall negotiate cooperative management agreements with the United States forest service and bureau of land management and the state department of natural resources. The board, Beltrami, Cass, Hubbard, and Itasca counties shall initiate and maintain contacts with the governing body of the Leech Lake Indian Reservation and shall negotiate a cooperative management and jurisdiction agreement with the reservation governing body. [114B.03 s. 3]*

**Sec. 45. [103F369] [COMPREHENSIVE LAND USE PLAN.]**

*Subdivision 1. [ADOPTION OF EXISTING PLAN.] The comprehensive land use plan prepared by the board and approved by resolution adopted*

on February 12, 1981, is the comprehensive land use plan authorized by section 44, subdivision 1, and shall be implemented by the board as provided in this section and section 47. [114B.03 s. 1]

*Subd. 2. [PLAN PROVIDES MINIMUM STANDARDS.] The standards set forth in the plan are the minimum standards which may be adopted by the board and by the counties for the protection and enhancement of the natural, scientific, historical, recreational and cultural values of the Mississippi river and related shoreland areas subject to the plan. Except for forest management, fish and wildlife habitat improvement, and open space recreational uses as defined in the plan, state or county lands within the boundaries established by the plan may not be offered for public sale or lease. The board with the agreement, expressed by resolution adopted after public hearing, of the county boards of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison counties may amend the plan in any way that does not reduce the minimum standards set forth in the plan approved on February 12, 1981. [114B.03 s. 1]*

*Subd. 3. [IMPLEMENTATION.] The board shall develop and establish a schedule for implementation and common administration of the plan by the counties. The schedule shall be binding upon the counties subject to approval by the governing bodies of the respective counties. [114B.03 s. 5]*

*Subd. 4. [COUNTY LAND USE ORDINANCE MUST BE CONSISTENT WITH PLAN.] The counties shall adopt land use ordinances consistent with the comprehensive land use plan of the board. [114B.03 s. 1]*

**Sec. 46. [103E371] [RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.]**

*All local and special governmental units, councils, commissions, boards and districts and all state agencies and departments must exercise their powers so as to further the purposes of sections 41 to 49 and the land use plan adopted by the board on February 12, 1981. Land owned by the state, its agencies, and political subdivisions shall be administered in accordance with the land use plan adopted by the board on February 12, 1981. [114B.031]*

**Sec. 47. [103E373] [REVIEW AND CERTIFICATION OF LAND USE ACTIONS.]**

*Subdivision 1. [PURPOSE.] To assure that the comprehensive land use plan prepared by the board is not nullified by unjustified exceptions in particular cases and to promote uniformity in the treatment of applications for exceptions, a review and certification procedure is established for the following categories of land use actions taken by the counties and directly or indirectly affecting land use within the area covered by the plan:*

*(1) the adoption or amendment of an ordinance regulating the use of land, including rezoning of particular tracts of land;*

*(2) the granting of a variance from provisions of the land use ordinance; and*

*(3) the approval of a plat which is inconsistent with the land use ordinance. [114B.04 s. 1]*

*Subd. 2. [CERTIFICATION.] Notwithstanding any provision of chapter 394 to the contrary, an action of a type specified in subdivision 1, clauses (1) to (3), is not effective until the board has reviewed the action and*

*certified that it is consistent with the comprehensive plan of the board. In determining consistency of ordinances and ordinance amendments, the provisions of the comprehensive land use plan shall be considered minimum standards. An aggrieved person may appeal a decision of the type specified in subdivision 1, clauses (1) to (3), that is reviewed by the board under this section in the same manner as provided for review of a decision of a board of adjustment in section 394.27, subdivision 9, but only after the procedures prescribed under this section have been completed. [114B.04 s. 2]*

*Subd. 3. [PROCEDURE FOR CERTIFICATION.] A copy of the notices of public hearings or, when a hearing is not required, a copy of the application to consider an action of a type specified in subdivision 1, clauses (1) to (3), must be forwarded to the board by the county at least 15 days before the hearing or meetings to consider the actions. The county shall notify the board of its final decision on the proposed action within ten days of the decision. By 30 days after the board receives the notice, the board shall notify the county and the applicant of its approval or disapproval of the proposed action. [114B.04 s. 3]*

*Subd. 4. [DISAPPROVAL OF ACTIONS.] (a) If a notice of disapproval is issued by the board, the county or the applicant may, within 30 days of the notice, file with the board a demand for a hearing. If a demand is not filed within the 30-day period, the disapproval becomes final.*

*(b) If a demand is filed within the 30-day period, a hearing must be held within 60 days of demand. The hearing must be preceded by two weeks published notice. Within 30 days after the hearing, the board must:*

- (1) affirm its disapproval of the proposed action; or*
- (2) certify approval of the proposed action. [114B.04 s. 4]*

**Sec. 48. [103E375] [INCORPORATION AND ANNEXATION.]**

*Subdivision 1. [MORATORIUM ON CERTAIN ACTIVITIES.] If land subject to the comprehensive land use plan of the board is annexed, incorporated, or otherwise subjected to the land use planning authority of a home rule charter or statutory city, a moratorium shall exist on:*

*(1) all subdivision platting and building permits on the land until zoning regulations are adopted for the land that comply with the provisions of the comprehensive plan of the board; and*

*(2) construction, grading and filling, and vegetative cutting as those activities are defined in the comprehensive plan. [114B.05]*

*Subd. 2. [EXCEPTION FOR WORK UNDER PRIOR PERMITS.] This section does not apply to work done pursuant to lawful permits issued before the land became subject to the land use planning authority of the city. [114B.05]*

**Sec. 49. [103E377] [BIENNIAL REPORT.]**

*During the first year of each biennial legislative session, the board shall prepare and present to the appropriate policy committees of the legislature a report concerning the actions of the board in exercising the authority granted by the legislature under sections 41 to 49. The report must include an assessment of the effectiveness of the board's comprehensive land use plan and its implementation in protecting and enhancing the natural, scientific, historical, recreational and cultural values of the Mississippi river*

*and related shorelands situated within the member counties.* [114B.06]

### PROJECT RIVERBEND

#### Sec. 50. [103F381] [FINDINGS.]

*The legislature finds that the Minnesota river from the city of Franklin in Renville county to LeSueur in LeSueur county possesses outstanding scenic, recreational, natural, historical, scientific, and similar values. Because it is in the interest of present and future generations to retain these values, the legislature finds that the adoption and implementation of a comprehensive land use plan is necessary.* [MN L 1982, c 627, sec 1, subd 1]

#### Sec. 51. [103F383] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 51 to 56.*

*Subd. 2. [BOARD.] "Board" means the project riverbend board.*

*Subd. 3. [COUNTIES.] "Counties" means the counties of Renville, Redwood, Brown, Nicollet, Blue Earth, and LeSueur, except as otherwise provided in Laws 1982, chapter 627, section 7.* [MN L 1982, c 627, sec 1, subd 2]

#### Sec. 52. [103F385] [BOARD.]

*Subdivision 1. [ESTABLISHMENT.] The project riverbend board is established under Laws 1982, chapter 627.* [MN L 1982, c 627, sec 2, subd 1]

*Subd. 2. [MEMBERS.] (a) Except as provided in Laws 1982, chapter 627, section 7, the board shall consist of six members, one each from the counties of Renville, Redwood, Brown, Nicollet, Blue Earth, and LeSueur.*

*(b) The members shall be appointed by their respective county boards for a term of two years.* [MN L 1982, c 627, sec 2, subd 2]

*Subd. 3. [CHAIR.] The board shall select a chairperson, who shall preside at meetings and hearings and may call special meetings.* [MN L 1982, c 627, sec 2, subd 3]

*Subd. 4. [PROCEDURAL RULES AND RECORDS.] The board shall adopt rules for the transaction of its business and shall keep a public record of its transactions, findings, and determinations.* [MN L 1982, c 627, sec 2, subd 3]

*Subd. 5. [QUORUM.] A majority of all members of the board constitutes a quorum and a majority vote of all members is required for the board to take any action pursuant to section 54.* [MN L 1982, c 627, sec 2, subd 3]

*Subd. 6. [STAFF AND FUNDS.] The counties shall supply staff and funds to the board as may be necessary for its operation.* [MN L 1982, c 627, sec 2, subd 4]

#### Sec. 53. [103F387] [COMPREHENSIVE PLAN.]

*(a) The comprehensive plan known as "Project Riverbend Fifth Draft, June 1981" shall be implemented by the board and the counties as provided in sections 51 to 56. The counties shall adopt land use ordinances consistent with the plan. The standards set forth in the plan are the minimum standards that may be adopted by the board and the counties. The board may amend*

*the comprehensive land use plan in any way that does not reduce the minimum standards set forth in the plan.*

*(b) The board shall develop and establish a schedule for implementation and administration of the plan by the counties. The schedule shall be binding on the counties subject to approval by the governing bodies of the respective counties. [MN L 1982, c 627, sec 3]*

**Sec. 54. [103F389] [REVIEW AND CERTIFICATION OF LAND USE ACTIONS.]**

*Subdivision 1. [LAND USE ACTIONS COVERED.] To ensure that the comprehensive land use plan is not nullified by unjustified exceptions in particular cases and to promote uniformity in the treatment of applications for exceptions, a review and certification procedure is established for the following categories of land use actions taken by the counties and directly or indirectly affecting land use within the area covered by the plan:*

*(1) the adoption or amendment of an ordinance regulating the use of land, including rezoning of a particular tract of land;*

*(2) the granting of a variance from provisions of the land use ordinances; and*

*(3) the approval of a plat which is inconsistent with the land use ordinance. [MN L 1982, c 627, sec 4, subd 1]*

**Subd. 2. [LAND USE ACTIONS MUST BE CONSISTENT WITH PLAN.]**

*(a) Notwithstanding any contrary provision of chapter 394, an action of a type specified in subdivision 1, clauses (1) to (3), is not effective until the board has reviewed the action and certified that it is consistent with the comprehensive plan of the board.*

*(b) In determining consistency of ordinances and ordinance amendments, the provisions of the comprehensive land use plan shall be considered minimum standards. An aggrieved person may appeal a decision of the type specified in subdivision 1, clauses (1) to (3), which is reviewed by the board under this section in the manner provided for review of a decision of a board of adjustment under section 394.27, subdivision 9, but only after the procedures prescribed under this section have been completed. [MN L 1982, c 627, sec 4, subd 2]*

**Subd. 3. [PROCEDURE FOR CERTIFICATION.]** *(a) A copy of all notices of public hearings or, when a hearing is not required, a copy of the application to consider any actions of a type specified in subdivision 1, clauses (1) to (3), must be forwarded to the board by the county at least ten days prior to the hearing or meetings to consider the land use actions.*

*(b) The county shall notify the board of its final decision on the proposed action within ten days of the decision.*

*(c) By 30 days from the time it receives the notice, the board shall notify the county and the applicant of its approval or disapproval of the proposed action. [MN L 1982, c 627, sec 4, subd 3]*

**Subd. 4. [DISAPPROVAL OF ACTIONS.]** *(a) If the board issues a notice of disapproval, either the county or the applicant may, within 30 days of notice, file a demand for a hearing with the board.*

*(b) If a demand is not filed during that period, the disapproval becomes final.*

*(c) If a demand is filed within the 30-day period, a hearing shall be held within 60 days of demand and shall be preceded by two weeks published notice. Within 30 days after the hearing, the board shall either affirm its disapproval of the proposed action or certify its approval. [MN L 1982, c 627, sec 4, subd 4]*

**Sec. 55. [103F391] [RESTRICTIONS ON LAND INCORPORATED OR ANNEXED.]**

*(a) If land subject to the comprehensive land use plan of the board is annexed, incorporated, or otherwise subjected to the land use planning authority of a home rule charter or statutory city, a moratorium shall exist on all subdivision platting and building permits on that land until zoning regulations are adopted for the land that comply with the provisions of the comprehensive plan of the board.*

*(b) The moratorium shall also apply to construction, grading and filling, and vegetative cutting as those activities are defined in the comprehensive plan.*

*(c) This section does not apply to work done pursuant to lawful permits issued before the land became subject to the land use planning authority of the city. [MN L 1982, c 627, sec 5]*

**Sec. 56. [103F393] [BIENNIAL REPORT.]**

*During the first year of each biennial legislative session, the board shall prepare and present to the appropriate policy committees of the legislature a report concerning the actions of the board in exercising the authority granted by the legislature under sections 51 to 56. The report shall include an assessment of the effectiveness of the board's comprehensive land use plan and its implementation in protecting and enhancing the outstanding scenic, recreational, natural, historical, scientific, and similar values of the Minnesota river and related shorelands situated within the member counties. [MN L 1982, c 627, sec 6]"*

Page 341, line 21, delete "30 to 41" and insert "57 to 68"

Page 344, lines 5 and 6, delete "30 to 41" and insert "57 to 68"

Page 346, line 20, delete "35" and insert "62"

Page 347, line 32, delete "34" and insert "61" and delete "35" and insert "62"

Page 349, lines 13 and 14, delete "34 and 35" and insert "61 and 62"

Page 350, line 3, delete "30 to 41" and insert "57 to 68"

Page 350, line 7, delete "33" and insert "60"

Page 350, lines 12, 15, and 24, delete "43 to 48" and insert "70 to 75"

Page 350, line 32, delete "45" and insert "72"

Page 351, line 26, delete "43 to 48" and insert "70 to 75"

Page 352, line 28, delete "43" and insert "70"

Page 355, lines 29 and 30, delete "43 to 48" and insert "70 to 75"

Page 359, line 36, delete "50 to 62" and insert "77 to 89"

Page 360, line 24, delete "50 to 62" and insert "77 to 89"

Page 361, line 36, delete "50 to 62" and insert "77 to 89"

Page 362, line 3, delete "54" and insert "81"

Page 362, line 5, delete "55" and insert "82"

Page 363, line 1, delete "55" and insert "82"

Page 363, line 30, after "(2)" insert a comma

Page 364, line 20, delete "54" and insert "81"

Page 364, lines 28 and 29, delete "50 to 62" and insert "77 to 89"

Page 365, lines 6 and 24, delete "50 to 62" and insert "77 to 89"

Page 366, line 9, delete "50 to 62" and insert "77 to 89"

Page 368, lines 10 and 13, delete "17 and 34" and insert "21 and 38"

Page 369, line 10, delete "17 and 34" and insert "21 and 38"

Page 369, line 13, delete "56 to 71" and insert "31 to 46"

Page 369, line 31, after "commissioner" insert "of natural resources"

Renumber the sections of article 6 in sequence

Page 372, lines 4 and 5, delete "14 to 18" and insert "25 to 29"

Page 377, line 19, delete everything before the period and insert "1979, chapter 199"

Page 377, line 35, delete "60 to 63" and insert "16 to 19"

Page 378, after line 11, insert:

#### "WETLANDS

##### Sec. 16. [103G.221] [DRAINAGE OF WETLANDS.]

*Subdivision 1. [DRAINAGE OF WETLANDS GENERALLY PROHIBITED WITHOUT REPLACEMENT.] Except as provided in subdivisions 2 and 3, wetlands may not be drained, and a permit authorizing drainage of wetlands may not be issued, unless the wetlands to be drained are replaced by wetlands that will have equal or greater public value. [105.391 s. 3]*

*Subd. 2. [DRAINAGE OF WETLANDS FOR CROPLAND.] (a) Wetlands that are lawful, feasible, and practical to drain and if drained would provide high quality cropland and that is the projected land use, as determined by the commissioner, may be drained without a permit and without replacement of wetlands of equal or greater public value if the commissioner does not choose, within 60 days of receiving an application for a permit to drain the wetlands to:*

*(1) place the wetlands in the state water bank program under article 6, section 76; or*

*(2) acquire them in fee under section 97A.145.*

*(b) If the commissioner does not make the offer under paragraph (a), clause (1) or (2), to a person applying for a permit, the wetlands may be drained without a permit. [105.391 s. 3]*

*Subd. 3. [PERMIT TO DRAIN WETLANDS TEN YEARS AFTER PUBLIC WATERS DESIGNATION.] (a) The owner of property underneath*

wetlands on privately owned property may apply to the commissioner for a permit to drain the wetlands after ten years from their original designation as public waters. After receiving the application, the commissioner shall review the status of the wetlands and current conditions.

(b) If the commissioner finds that the status of the wetlands and the current conditions make it likely that the economic or other benefits from agricultural use to the owner from drainage would exceed the public benefits of maintaining the wetlands, the commissioner shall grant the application and issue a drainage permit.

(c) If the application is denied, the owner may not apply again for another ten years. [105.391 s. 3]

Sec. 17. [103G.225] [STATE WETLANDS AND PUBLIC DRAINAGE SYSTEMS.]

If the state owns wetlands on or adjacent to existing public drainage systems, the state shall consider the use of the wetlands as part of the drainage system. If the wetlands interfere with or prevent the authorized functioning of the public drainage system, the state shall provide for necessary work to allow proper use and maintenance of the drainage system while still preserving the wetlands. [105.391 s. 11]

Sec. 18. [103G.231] [PROPERTY OWNER'S USE OF WETLANDS.]

Subdivision 1. [AGRICULTURAL USE DURING DROUGHT.] A property owner may use the bed of wetlands for pasture or cropland during periods of drought if:

(1) dikes, ditches, tile lines, or buildings are not constructed; and

(2) the agricultural use does not result in the drainage of the wetlands. [105.391 s. 10]

Subd. 2. [FILLING WETLANDS FOR IRRIGATION BOOMS.] A landowner may fill a wetland to accommodate wheeled booms on irrigation devices if the fill does not impede normal drainage. [105.391 s. 10]

Sec. 19. [103G.235] [RESTRICTIONS ON ACCESS TO WETLANDS.]

To protect the public health or safety, local units of government may by ordinance restrict public access to wetlands from municipality, county, or township roads that abut wetlands. [105.391 s. 9]"

Page 378, line 14, delete "103G.221" and insert "103G.241"

Page 379, line 13, delete "103G.225" and insert "103G.245"

Page 380, line 17, delete "32" and insert "36"

Page 382, line 24, delete "103G.231" and insert "103G.251"

Page 383, lines 5 and 7, delete "31" and insert "35"

Page 383, line 20, delete "103G.235" and insert "103G.255"

Page 383, line 28, delete "103G.241" and insert "103G.261"

Page 384, line 19, delete "103G.245" and insert "103G.265"

Page 386, line 16, delete "103G.251" and insert "103G.271"

Page 386, line 34, delete "from public"

Page 386, line 35, delete "waters"



Page 387, line 35, delete "103G.255" and insert "103G.275"

Page 388, line 18, delete "103G.261" and insert "103G.281"

Page 389, line 5, delete "103G.265" and insert "103G.285"

Page 390, line 20, delete "103G.271" and insert "103G.291"

Page 391, line 1, delete "103G.275" and insert "103G.295"

Page 391, line 8, delete "18" and insert "19"

Page 393, line 29, delete "103G.281" and insert "103G.297"

Page 396, line 32, delete everything after "a"

Page 396, line 33, delete everything before "permit"

Page 397, delete lines 18 to 24 and insert:

*"(b) The application fee for a permit to appropriate water, a permit to construct or repair a dam that is subject to dam safety inspection, or to apply for the state water bank program is \$75. The application fee for a permit to work in public waters, or to divert waters for mining must be at least \$75, but not more than \$500, in accordance with a schedule of fees adopted under section 16A.128. [105.44 s. 10]"*

Page 399, line 17, delete "27" and insert "31"

Page 404, line 13, delete "27" and insert "31"

Page 404, line 22, delete "30" and insert "34"

Page 405, line 23, delete "34" and insert "38"

Page 406, line 36, before "114.12" insert "110.46 s. 2;"

Page 413, line 10, delete "31" and insert "35"

Page 414, line 36, delete "41" and insert "45"

Page 415, line 3, delete "31" and insert "35"

Page 417, line 17, delete "1" and insert "2"

Page 421, line 25, delete "48 and 49" and insert "52 and 53"

Page 423, line 21, delete "48 and 49" and insert "52 and 53"

Page 426, line 2, delete "48 and 49" and insert "52 and 53"

Page 426, lines 11 and 18, delete "48" and insert "52"

Page 427, delete line 23 and insert:

"WATER AERATION AND DEICING"

Page 429, delete section 57 and insert:

"HARVEST AND CONTROL OF AQUATIC PLANTS

Sec. 61. [103G.615] [PERMITS TO HARVEST OR DESTROY AQUATIC PLANTS.]

*Subdivision 1. [AUTHORIZATION.] (a) The commissioner may issue permits, with or without a fee, to:*

*(1) gather or harvest aquatic plants, or plant parts, other than wild rice from public waters;*

(2) *transplant aquatic plants into public waters;*

(3) *destroy harmful or undesirable aquatic vegetation or organisms in public waters under prescribed conditions to protect the waters, desirable species of fish, vegetation, other forms of aquatic life, and the public.*

(b) *Application for a permit must be accompanied by a permit fee, if required.* [84.092 s. 1]

*Subd. 2. [FEES.] (a) The commissioner shall establish a fee schedule for permits to harvest aquatic plants other than wild rice, by order, after holding a public hearing. The fees may not exceed \$100 per permit based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit.*

(b) *A fee may not be charged to the state or a federal governmental agency applying for a permit.*

(c) *The money received for the permits under this subdivision shall be deposited in the treasury and credited to the game and fish fund.* [84.092 s. 2]

*Subd. 3. [PERMIT STANDARDS.] The commissioner shall, by order, prescribe standards to issue and deny permits under subdivision 2. The standards must ensure that aquatic plant control is consistent with shoreland conservation ordinances, lake management plans and programs, and wild and scenic river plans.* [84.092 s. 3]"

Page 431, delete lines 13 and 14

Pages 431 to 433, delete sections 60 to 63

Page 433, line 8, delete "103G.801" and insert "103G.701"

Page 434, line 15, delete "103G.805" and insert "103G.705"

Page 435, line 1, delete "103G.811" and insert "103G.711"

Renumber the sections of article 7 in sequence

Page 435, line 36, delete "47" and insert "51"

Page 439, lines 4 and 5, delete "31 to 41" and insert "58 to 68"

Page 439, line 16, delete "44" and insert "71"

Page 439, lines 18 and 19, delete "45" and insert "72"

Page 439, line 24, delete "1 to 3" and insert "7 to 9"

Page 439, line 27, delete "The commissioner of"

Page 439, line 28, delete "natural resources, or"

Page 439, line 29, delete the comma

Page 443, line 18, delete "45" and insert "72"

Page 444, line 25, delete "19 to 28" and insert "30 to 39"

Page 444, line 29, after "and" insert "article 6," and delete "19 to 28" and insert "30 to 39"

Page 446, line 22, delete "47" and insert "51"

Page 447, line 1, before "section" insert "article 5," and delete "103E.015"

and insert "3"

Page 447, line 2, delete "103E.025, or 103E.615" and insert "5, or 80,"

Page 447, line 18, delete "39" and insert "43"

Page 447, after line 19, insert:

"Sec. 24. [97C.077] [FISH SCREENS IN LAKES.]

*Subdivision 1. [LAKE IN ONE COUNTY.] If all or a major part of a navigable lake is located within a single county and has been stocked with fish by the United States government, the county board in order to maintain fish in the lake and prevent their escape from the lake may erect and maintain screens at the inlets and outlets of the lake. The county board may appropriate from the county treasury money for the erection and maintenance of the screens. [378.09]*

*Subd. 2. [LAKE IN MORE THAN ONE COUNTY.] If a lake is located in more than one county, the county boards of the affected counties may jointly provide for the erection and maintenance of screens. The expense of the screens and maintenance must be paid equally between the counties, and the county boards must appropriate money from the county treasury of their respective counties to pay the expenses of the screens and maintenance. [378.09]"*

Page 448, line 6, delete the first "to" and insert "and"

Page 448, line 21, delete "22 to 24" and insert "26 to 28" and delete "18" and insert "22"

Page 448, line 26, delete "22" and insert "26"

Page 448, line 27, delete "24" and insert "28" and delete "32" and insert "36" and delete "27" and insert "31"

Page 450, line 6, before "section" insert "article 5,"

Page 450, line 7, delete "103E.325" and insert "54"

Page 451, line 13, before "section" insert "article 5,"

Page 451, line 14, delete "103E.005" and insert "1"

Page 455, line 6, delete "45" and insert "49"

Page 457, lines 14 and 26, delete "45" and insert "49"

Page 458, lines 4 and 8, delete "45" and insert "49"

Page 460, line 9, before "section" insert "article 5," and delete "103E.201" and insert "27"

Pages 460 to 463, delete sections 38 to 41

Page 464, after line 2, insert:

"Sec. 41. [383B.78] [BATHING BEACHES.]

*Subdivision 1. [BATHING BEACH DEFINITION.] For purposes of this section, a public bathing beach means public land, roads, and highways adjoining public waters that have been or may be used for bathing or swimming, and privately owned places that the public is allowed to frequent or use for bathing. [378.20 s. 1]*

*Subd. 2. [UNLAWFUL TO BATHE AT PUBLIC BEACHES AT CERTAIN TIMES.] In counties that have a population of 450,000 or more, a person may not frequent, swim, bathe, or congregate at a public bathing beach or public waters adjacent to a public bathing beach for the purpose of swimming or bathing, or congregating with others, from 10:30 p.m. to 5:00 a.m. of the next day. [378.20 s. 2]*

*Subd. 3. [REGULATORY ORDINANCES.] (a) The governing bodies of counties having a population of more than 450,000, and all cities and towns located in the counties may, by ordinance, resolution, or bylaw, regulate the use of public bathing beaches and public waters where a public bathing beach immediately borders for the purpose of bathing, swimming, or congregating with others, within their respective territorial limits, in a manner that is not inconsistent with this section. [378.20 s. 3]*

*(b) If a governing body determines that the safety, health, morals, or general welfare of the public require, the governing body may, by ordinance, resolution, or bylaw, provide that a public bathing beach is closed to bathing, swimming, and congregating after the hour of 9:00 p.m., or after any time between 9:00 a.m. and 10:30 p.m. of any day. [378.20 s. 4]*

*Subd. 4. [NOT RESTRICTIVE.] This section does not limit or abrogate any of the existing powers of a body or governing board of a county, home rule charter or statutory city, or town. [378.20 s. 5]*

*Subd. 5. [PENALTY.] A person who violates a provision of this section is guilty of a misdemeanor. [378.20 s. 6]"*

Page 464, line 11, before "sections" insert "article 6," and delete "14 to 18" and insert "25 to 29"

Page 464, line 21, delete "21 and 22" and insert "32 and 33"

Page 464, line 34, strike "section"

Page 464, line 35, strike "378.321" and insert "article 9"

Page 465, lines 2, 12, and 20, delete "55 to 71" and insert "30 to 46"

Page 465, lines 17 and 18, delete "55 to 71" and insert "30 to 46"

Page 466, line 2, delete "14 to 18" and insert "25 to 29"

Page 468, line 22, before "section" insert "article 5," and delete "103E.705" and insert "91"

Page 469, line 18, delete "14 to 18" and insert "25 to 29"

Page 469, line 26, delete "15" and insert "26"

Page 469, line 34, delete everything after "18" and insert a period

Renumber the sections of article 8 in sequence

Page 470, after line 14, insert:

*"Subd. 2. [CITY.] "City" means a home rule charter or statutory city."*

Page 471, line 36, delete "anchored, beached."

Page 472, line 1, delete "or"

Renumber the subdivisions in sequence

Page 476, line 8, delete "before" and insert "after"

Page 477, line 34, delete "Upon" and insert "On"

Page 477, line 35, after "city" insert a comma and delete " on" and insert "after"

Page 479, line 5, delete "reflectorize" and insert "reflectorized"

Page 479, line 20, delete "and"

Page 482, line 17, delete "watercraft" and insert "motorboat"

Page 484, lines 18 and 36, delete "while underway"

Page 484, line 19, delete "or in use" and insert "in operation"

Page 484, line 31, delete "while underway or in use" and insert "in operation"

Page 485, line 1, delete "or in use" and insert "in operation"

Page 485, after line 1, insert:

*"(d) For purposes of this subdivision, a motorboat "in operation" does not include a motorboat that is anchored, beached, or securely fastened to a dock or other permanent mooring."*

Page 488, line 5, delete "while underway or in"

Page 488, line 6, delete "use" and insert "in operation"

Page 488, line 9, after the period, insert "A motorboat "in operation" does not include a motorboat that is anchored, beached, or securely fastened to a dock or other permanent mooring."

Page 496, line 13, delete the second "and" and insert a period

Page 496, line 14, delete "issue"

Page 496, line 15, delete "that" and insert "shall be issued and"

Page 499, delete lines 9 to 11 and insert:

*"Subd. 5. [DEALER'S LICENSE.] There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is \$30. [361.03 s. 3]"*

Page 499, line 28, before the period, insert "by deputy registrars"

Page 499, delete line 36 and insert "licensed."

Page 500, line 22, after "A" insert "monohulled" and after "watercraft" insert "less than 20 feet in length"

Page 500, line 24, after "sailboards," insert "and" and after "boats" insert a comma

Page 500, line 25, delete everything before "must"

Page 504, line 6, delete "oxygen" and insert "compressed air"

Page 509, after line 24, insert:

"Section 1. [EFFECT OF CHANGES IN THIS ACT.]

*The legislature intends this act to be a clarification and reorganization of provisions of water law. The changes that have been made are not intended to alter the water law and shall not be construed by a court or other authority to alter the meaning of the law.*

Sec. 2. [INSTRUCTION TO REVISOR.]

*The revisor of statutes shall correct cross-references to provisions contained in this act and codify amendments to provisions contained in this act and future acts of the legislature in a manner that is consistent with this act.*"

Page 509, delete line 26 and insert:

"Sec. 3. [GENERAL REPEALER.]"

Page 510, line 25, delete everything after "110.53;"

Page 510, delete line 26

Page 510, line 27, delete everything before "110.71;"

Page 511, after line 13, insert:

"Sec. 4. [REPEAL OF JUDICIAL WATER LEVEL STABILIZATION PROJECT AUTHORITY.]

*(a) Minnesota Statutes 1988, sections 110.55; 110.56; 110.57; 110.58; 110.59; 110.60; 110.61; 110.62; 110.63; 110.64; 110.65; 110.66; 110.67; 110.68; 110.69; and 110.70 are repealed.*

*(b) These sections contain obsolete provisions relating to petition and judicial establishment of improvements to control water levels; however, petitions received, proceedings, and projects commenced before August 1, 1989, under the sections repealed in paragraph (a) may continue until their completion."*

Amend the title as follows:

Page 1, line 23, after "83A;" insert "97C;"

Page 1, line 24, delete "375" and insert "383B"

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 150: A bill for an act relating to gambling; establishing a state-operated lottery; establishing a department of gaming to supervise a state-operated lottery, pari-mutuel horse racing, and charitable gambling; transferring the duties of the charitable gambling control board and the Minnesota racing commission to this department; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15A.081, subdivision 1; 240.01, subdivisions 4, 9, and 10; 240.04; 240.28; 290.01, subdivision 19b; 290.61; 290.92, subdivision 27; 297A.25, by adding a subdivision; 349.12, subdivision 16; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 240 and 349; proposing coding for new law as Minnesota Statutes, chapters 240B and 349A; repealing Minnesota Statutes 1988, sections 240.02; 240.04, subdivisions 1, 1a, and 6; and 349.151.

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

Delete everything after the enacting clause and insert:

**“Section 1. [349A.01] [DEFINITIONS.]**

*Subdivision 1. [TERMS DEFINED.] For the purposes of this chapter the terms defined in this section have the meanings given them.*

*Subd. 2. [AGENCY.] “Agency” is the state lottery agency established under section 2.*

*Subd. 3. [BOARD.] “Board” is the state lottery board established under section 3.*

*Subd. 4. [DIRECTOR.] “Director” is the director of the state lottery agency.*

*Subd. 5. [LOTTERY.] “Lottery” is the state lottery operated by the state lottery agency.*

*Subd. 6. [LOTTERY RETAILER.] “Lottery retailer” means a person with whom the director has contracted to sell lottery tickets to the public.*

*Subd. 7. [LOTTERY TICKET.] “Lottery ticket” or “ticket” means any tangible evidence issued by the lottery 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 agency. A lottery vendor does not include a lottery retailer.*

*Subd. 9. [MAJOR PROCUREMENT CONTRACT.] “Major procurement contract” means a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets, and lottery tickets. 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. [349A.02] [STATE LOTTERY AGENCY.]**

*Subdivision 1. [DIRECTOR.] A state lottery agency is established under the supervision and control of the director of the state lottery. The governor shall appoint the director with the advice and consent of the senate. The director must be qualified by experience and training to supervise the lottery. The director serves in the unclassified service.*

*Subd. 2. [REMOVAL.] (a) The director may be removed with notice and hearing for:*

*(1) violating section 11;*

*(2) malfeasance, nonfeasance, or misfeasance as defined in section 351.14, subdivisions 2, 3, and 4; or*

*(3) failure to perform adequately the duties of the director.*

*(b) For the purposes of this subdivision, adequate performance of the director may be determined by:*

*(1) gross revenue from the sale of lottery tickets;*

*(2) efficiency of the administration of lottery operations;*

*(3) public confidence in the integrity of the lottery; and*

*(4) compliance with advertising requirements in section 9.*

*Subd. 3. [POWERS AND DUTIES.] The director shall exercise the following powers and duties:*

- (1) recommend rules and game procedures to the board;*
- (2) issue lottery retailer contracts and rule on appeals of decisions relating to those contracts;*
- (3) make contracts for the provision of goods and services to the lottery;*
- (4) enter into written agreements with one or more states for the operation, marketing, and promotion of a joint lottery;*
- (5) employ personnel as are required to operate the lottery; and*
- (6) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.*

*Subd. 4. [EMPLOYEES; CLASSIFICATION.] The director may appoint other personnel as are necessary to operate the state lottery. Employees of the agency who are not professional employees as defined in section 179A.03, subdivision 13, and employees whose primary responsibilities are in data processing and accounting, are in the classified service. All other employees of the division are in the unclassified service.*

*Subd. 5. [COMPENSATION.] The compensation of employees in the agency is as provided in chapter 43A. The commissioner of employee relations shall, at the request of the director, develop and implement a plan for making incentive payments to employees of the agency whose primary responsibilities are in marketing.*

*Subd. 6. [EMPLOYEES; BACKGROUND CHECKS.] The director shall conduct background checks on all prospective employees and shall require that all employees of the agency be fingerprinted. No person may be employed by the agency who has been convicted of a felony or a gross misdemeanor involving gambling within five years of starting employment with the agency, or have ever been convicted of a crime involving fraud or misrepresentation. The director has access to all criminal history data compiled by the bureau of criminal apprehension on employees and prospective employees of the Minnesota state lottery. The director may employ necessary persons pending the completion of a background check.*

*Subd. 7. [ASSISTANCE.] Other departments or agencies of the state may be required to provide reasonable assistance to the agency at the request of the director. The agency shall make appropriate reimbursement for all assistance.*

### **Sec. 3. [349A.03] [STATE LOTTERY BOARD.]**

*Subdivision 1. [BOARD CREATED.] There is created within the agency a state lottery board. The board consists of seven members appointed by the governor. Not more than four of the members appointed by the governor may belong to the same political party and at least three members must reside outside the seven-county metropolitan area. The terms of office, removal from office, and compensation of members of the board are as provided in section 15.059. The governor shall designate the chair of the board.*

*Subd. 2. [BOARD DUTIES AND POWERS.] The board has the following duties and powers:*

- (1) to advise the director on all aspects of the lottery;*



- (2) to adopt rules and game procedures submitted by the director;
  - (3) to approve major procurement contracts entered into by the director;
- and
- (4) to review and comment on advertising published by the director at least quarterly to ensure that all advertising is not demeaning to the citizens of this state and consistent with section 9.

Sec. 4. [349A.04] [LOTTERY GAME PROCEDURES.]

The board may adopt game procedures submitted by the director governing the following elements of the lottery:

- (1) lottery games;
- (2) ticket prices;
- (3) number and size of prizes;
- (4) methods of selecting winning tickets; and
- (5) frequency and method of drawings.

The adoption of lottery game procedures is not subject to chapter 14.

Sec. 5. [349A.05] [RULES.]

The board may adopt rules submitted by the director, including emergency rules, under chapter 14 governing the following elements of the lottery:

- (1) the number and types of lottery retailers' locations;
  - (2) qualifications of lottery retailers and application procedures for lottery retailer contracts;
  - (3) investigation of lottery retailer applicants;
  - (4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts;
  - (5) compensation of lottery retailers;
  - (6) accounting for and deposit of lottery revenues by lottery retailers;
  - (7) procedures for issuing major procurement contracts and for the investigation of bidders on those contracts;
  - (8) payment of prizes;
  - (9) procedures needed to ensure the integrity and security of the lottery;
- and
- (10) other rules the director considers necessary for the efficient operation and administration of the lottery.

Sec. 6. [349A.06] [LOTTERY RETAILERS.]

Subdivision 1. [CONTRACTS.] The director shall sell tickets for the lottery through lottery retailers the director selects. Contracts under this section are valid for a period of one year.

Subd. 2. [QUALIFICATIONS.] (a) The director may not contract with a retailer who:

- (1) is under the age of 18;

(2) *is in business solely as a seller of lottery tickets;*

(3) *has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;*

(4) *is a member of the immediate family, residing in the same household, as the director, board member, or any employee of the agency; or*

(5) *in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery.*

(b) *An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the stock of the corporation, an officer, or director that does not meet the requirements of paragraph (a), clause (3), is not eligible to be a lottery retailer under this section.*

(c) *The restrictions under paragraph (a), clause (3), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individuals whose actions directly contributed to the disqualification under this subdivision.*

*Subd. 3. [BOND.] The director shall require that each lottery retailer post a bond, in an amount as the director deems necessary, to protect the financial interests of the state.*

*Subd. 4. [CRIMINAL HISTORY.] The director may request the bureau of criminal apprehension to investigate all applicants for lottery retailer contracts. The director may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section.*

*Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.*

(b) *A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.*

(c) *A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the agency at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the agency.*

(d) *A contract issued under this section may not be transferred or assigned.*

(e) *The director shall require that lottery tickets may be sold by retailers only for cash.*

*Subd. 6. [RETENTION BY RETAILERS.] The board may by rule provide for:*

(1) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets; and

(2) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets as a commission.

*Subd. 7. [RETAILER RENTAL PAYMENTS.] If a lottery retailer'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 retained by the sales agent for the sale of lottery tickets shall be considered the amount of the retail sale for purposes of computing the rental payments.*

*Subd. 8. [PROCEEDS OF SALES.] All proceeds from the sale of lottery tickets received by a lottery retailer constitute a trust fund until paid to the director. The lottery retailer is personally liable for all proceeds.*

*Subd. 9. [PRIVATE DATA.] All reports filed by lottery retailers with the director are private data under chapter 13.*

*Subd. 10. [FEE.] The director may charge a nonrefundable application fee to a person applying for a lottery retailer contract. The fee collected under this subdivision must be deposited in the lottery fund.*

*Subd. 11. [LOCAL LICENSES.] No political subdivision may require a local license to operate as a lottery retailer or impose a tax or fee on the business of operating as a lottery retailer.*

*Subd. 12. [REVOCATION, SUSPENSION, AND REFUSAL TO RENEW LICENSES.] (a) The director may cancel the contract of any lottery retailer who:*

*(1) has been convicted of a felony or gross misdemeanor in any federal or state court;*

*(2) has committed fraud, misrepresentation, or deceit;*

*(3) has provided false or misleading information to the division; or*

*(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.*

*(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer who:*

*(1) changes business location;*

*(2) fails to account for lottery tickets received or the proceeds from tickets sold;*

*(3) fails to remit funds to the director in accordance with the director's rules;*

*(4) violates a law or a rule or order of the director;*

*(5) fails to comply with any of the terms in the lottery retailer's contract;*

*(6) fails to comply with bond requirements under this section; or*

*(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer.*

*(c) The director may also cancel, suspend, or refuse to renew a lottery*

retailer's contract if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the director may issue an order making the suspension permanent.

Sec. 7. [349A.07] [VENDOR CONTRACTS.]

*Subdivision 1. [CONTRACTS AUTHORIZED.]* The director may enter into contracts for the purchase, lease, or lease-purchase of the goods or services that are necessary for the purposes of this chapter. Any major procurement contract entered into by the director must be approved by the board. In entering into all contracts, the director shall utilize an open bid process and shall take into account the particularly sensitive nature of the state lottery and shall consider the competence, quality of product, experience, and timely performance of each potential vendor in order to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery.

*Subd. 2. [INVESTIGATION OF POTENTIAL VENDORS.]* The director shall request the director of the bureau of criminal apprehension to investigate the background, financial responsibility, security, and integrity of any person who submits a bid, proposal, or offer as part of a major procurement contract issuance by the agency. The director may require the person making the bid, proposal, or offer to pay for the cost of the investigation. Any fee collected under this subdivision must be deposited into the state lottery fund. At the time of submitting any bid, proposal, or offer, the bidder shall disclose to the director the information the director considers necessary to carry out the purposes of this section. 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 agency.

*Subd. 3. [PERSONS INELIGIBLE FOR CONTRACT.]* (a) The director may not enter into a major procurement contract with an applicant that has been convicted of a felony in a state or federal court, has been convicted of a gambling-related offense, or has been found guilty of any crime involving fraud or misrepresentation within the last five years.

(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 this subdivision.

(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. 4. [CONFLICT OF INTEREST.] The director may not enter into a contract with a person to supply goods or services if that person has an ownership interest in an entity that had supplied consultation services under a contract to the lottery regarding the request for proposal pertaining to those particular goods or services.*

*Subd. 5. [BOND.] (a) The director shall require securities to be deposited, or a performance bond or a letter of credit to be executed by the person or corporation that is awarded a major procurement contract in an amount as determined by the director.*

*(b) Any securities deposited with the director under this subdivision must be interest-bearing and limited to:*

*(1) certificates of deposit issued by a solvent bank or savings association organized and existing under the laws of this state or under the laws of the United States and having its principal place of business in this state;*

*(2) United States bonds, notes, and bills, for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest; and*

*(3) general obligation bonds of any political subdivision of this state, or corporate bonds of a corporation that is not an affiliate or subsidiary of the vendor, if the general obligation bonds or corporate bonds are rated in one of the four highest classifications by an established nationally recognized investment rating service.*

*(c) Any letter of credit executed under this subdivision must provide that:*

*(1) nothing more than a demand for payment is necessary for payment and is not conditional on the delivery of any other documents or materials;*

*(2) the letter of credit is irrevocable and cannot be modified or revoked without the consent of the director;*

*(3) the letter of credit cannot expire without notice from the issuer and the notice must occur at least 60 days before the expiration date of the letter of credit;*

*(4) the letter of credit is issued by a bank which is a member of the federal reserve system which has a long-term debt rating by a recognized national rating agency of investment grade or better;*

*(5) the letter of credit is unconditional, is not conditional 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 agreement, document, or entity; and*

*(6) the letter of credit designates the director as beneficiary.*

*Subd. 6. [EXEMPTIONS.] Major procurement contracts entered into by the director are not subject to the provisions of sections 16B.06 to 16B.102, provided that the director must utilize an open and competitive bid process for major procurement contracts, and as nearly as practicable follow the procedures of chapter 16B governing contracts, consistent with the provisions of this section.*

*Subd. 7. [ASSIGNMENT.] A contract entered into under this section may not be assigned without the specific written approval of the director.*

Sec. 8. [349A.08] [LOTTERY PRIZES.]

*Subdivision 1. [AGREEMENT BY PLAYERS.] A person who buys a lottery ticket agrees to be bound by the rules applicable to the particular lottery game for which the ticket is purchased. The player acknowledges that the determination of whether a ticket is a valid winning ticket is subject to the rules of the director, claims procedures established by the director for that game, and any confidential or public validation tests established by the director for that game.*

*Subd. 2. [PRIZES NOT ASSIGNABLE.] A prize in the state lottery is not assignable except as provided in subdivision 3 and except that:*

*(1) if a prize winner dies before the prize is paid, the director shall pay the prize to the prize winner's estate; and*

*(2) the director may pay a prize to a person other than the winner of that prize under an appropriate court order.*

*Subd. 3. [PRIZES WON BY PERSONS UNDER AGE 18.] The following provisions govern the payment of a lottery prize to a person under age 18:*

*(1) if the prize is less than \$5,000, the director may give a draft, payable to the order of the person under age 18, to the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family; and*

*(2) if the prize is \$5,000 or more, the director may deposit the prize in a financial institution to the credit of the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family.*

*Subd. 4. [DISCHARGE OF LIABILITY.] The payment of a prize by the director discharges the director and the state of all liability for the prize.*

*Subd. 5. [PAYMENT; UNCLAIMED PRIZES.] A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded. Any prize money not claimed at the end of this period must be added by the director 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 purchased the winning ticket in violation of section 12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section.*

*Subd. 6. [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. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to a member of the board, the 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 prize may be paid to an officer or employee of a division of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a major procurement contract.*

*(b) No prize may be paid for a stolen, altered, or fraudulent ticket.*

*Subd. 8. [WITHHOLDING OF DELINQUENT STATE TAXES OR CHILD SUPPORT.] The director shall report the name, address, and social security number of each winner of a lottery prize of \$1,000 or more to the department of revenue to determine whether the person that won the prize is delinquent in payment of state taxes and to the department of human services to determine whether the person is delinquent in court-ordered payment of child support. If the person is delinquent in payment of state taxes or court-ordered child support, the director shall withhold the delinquent amount from the person's prize for remittance to the department of revenue or to the appropriate person. If the winner of a prize is delinquent both in payments of state taxes and court-ordered child support, the amount remitted to the department of revenue or to the appropriate person shall be in proportion to the prize amount as is the amount owed by the winner.*

**Sec. 9. [349A.09] [LOTTERY ADVERTISING.]**

*Subdivision 1. [ODDS; REQUIRED INFORMATION.] The director shall include on each brochure, pamphlet, booklet, or other similar material the director publishes to promote or explain any lottery game, a prominent and clear statement of the chances of winning each prize offered in that lottery game. Each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the director of the odds of winning each prize in each game for which the lottery retailer sells tickets.*

*Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the director may only:*

*(1) present factual information on how lottery games are played, prizes offered, where and how tickets may be purchased, and odds on the games advertised;*

*(2) identify state programs supported by lottery net revenues;*

*(3) present the lottery as a form of entertainment or recreation; or*

*(4) state the winning numbers or identity of winners of lottery prizes.*

*(b) The director may not adopt or publish any advertising for the lottery which:*

*(1) presents directly or indirectly any lottery game as a potential means of relieving any person's financial or economic difficulties; or*

*(2) is specifically targeted with the intent to exploit specific groups or economic classes of people.*

**Sec. 10. [349A.10] [LOTTERY FUNDS.]**

*Subdivision 1. [FUND ESTABLISHED.] Money received by the director from the sale of lottery tickets must be deposited in the state treasury and credited to a state lottery fund.*

*Subd. 2. [PRIZES AND ADMINISTRATION.] (a) The amount necessary to pay the holders of winning lottery tickets, purchase and promote lottery games and game-related services, and make payments to lottery retailers is appropriated from the lottery fund to the director. All other expenses for the operation and administration of the lottery must be appropriated from the state lottery fund by direct appropriation of the legislature.*

*(b) The director shall determine the percentage of money in the state lottery fund to be allocated for payment of prizes in a fiscal year which may not be less than 45 percent of the gross revenues from the sale of lottery tickets.*

*Subd. 3. [DEPOSIT OF RECEIPTS.] (a) The director may require lottery retailers:*

*(1) to deposit in a separate account to the credit of the state lottery fund, in banks designated by the director, all money received by the lottery retailer from the sale of lottery tickets, less money retained as the lottery retailer's commission and for payment of prizes or sales discounts;*

*(2) to file with the director reports of the lottery retailer's receipts and transactions in ticket sales in a form that the director prescribes; and*

*(3) to allow money deposited by the lottery retailer from the sale of lottery tickets to be transferred to the agency through electronic fund transfer.*

*(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.*

*(c) A lottery retailer who fails to pay any money due to the director within the time prescribed by the director shall pay interest on the amount owed at the rate determined by rule.*

*Subd. 4. [DETERMINATION OF NET PROCEEDS.] Within 30 days after the end of each month, the director shall determine the net proceeds from the lottery for that month. The net proceeds is determined by deducting from gross receipts to the lottery for that month and interest earned by the lottery:*

*(1) total prizes paid out in that month;*

*(2) an amount the director determines to be reasonably required to pay future prize obligations resulting from lottery drawings in that month;*

*(3) the value of lottery tickets returned or canceled;*

*(4) an amount sufficient to pay costs incurred for the operation and administration of the lottery;*

*(5) payments made for the purchase and promotion of lottery games and game-related services; and*

*(6) payments made to lottery retailers.*

**Sec. 11. [349A.11] [CONFLICT OF INTEREST.]**

*(a) The director, a board member, an employee of the agency, a member of the immediate family of the director, board member, or employee residing in the same household may not:*

*(1) purchase a lottery ticket;*



(2) have any personal pecuniary interest in any vendor contracting with the state to supply services or gaming equipment or materials for use in the operation of the lottery, or in any lottery retailer; or

(3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.

(b) The director or an unclassified employee of the agency may not, within one year of terminating employment with the agency, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any major procurement contract or bid for a major procurement contract with the agency within a period of two years prior to the termination of their employment.

Sec. 12. [349A.12] [PROHIBITED ACTS.]

Subdivision 1. [PURCHASE BY MINORS.] A person under the age of 18 years may not buy a ticket in the state lottery.

Subd. 2. [SALE TO MINORS.] A lottery retailer may not knowingly sell a ticket in the state lottery to any person under the age of 18 years.

Subd. 3. [PROHIBITED SALES.] (a) A person other than a lottery retailer may not sell a ticket in the state lottery.

(b) A lottery retailer may not sell a ticket for a price other than the price set by the director.

Subd. 4. [FRAUDULENT TICKETS.] A person may not:

(1) counterfeit or alter a state lottery ticket with intent to make a fraudulent claim for payment;

(2) knowingly present a counterfeit or altered state lottery ticket for payment;

(3) knowingly transfer a counterfeit or altered state lottery ticket to another person to present for payment; or

(4) conspire, aid, abet, or agree to aid another person or persons to claim a lottery prize by means of fraud, deceit, or misrepresentation.

Subd. 5. [FALSE STATEMENTS.] A person may not:

(1) make a false or misleading statement in a book or record 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 a lottery retailer's application or a document related to a bid.

Subd. 6. [ILLEGAL ACCESS.] (a) A person may not obtain access to a computer data base maintained by the director without the specific authorization of the director.

(b) A person may not obtain access to a computer data base maintained by a person under contract with the director to maintain the data base without the specific authorization of the director and the person maintaining the data base.

*(c) A person may not attempt to violate paragraph (a) or (b), or conspire with, aid, abet, or agree to aid another person to violate or attempt to violate paragraph (a) or (b).*

*Subd. 7. [LOTTERY RETAILERS AND VENDORS.] A person who is a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the director, or a person under contract with the director to supply 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 the director, board member, employee of the lottery agency, or to a member of the immediate family residing in the same household as that person.*

*Subd. 8. [VIOLATION OF RULE.] A person may not violate a rule of the director adopted under this chapter.*

*Subd. 9. [EXCEPTIONS.] Nothing in this chapter prohibits giving a state lottery ticket as a gift, or buying a state lottery ticket as a gift for a person under the age of 18.*

*Subd. 10. [VIOLATIONS.] Violation of subdivision 1 or 2 is a misdemeanor. Violation of subdivision 3, 7, or 8 is a gross misdemeanor. Violation of subdivision 4, 5, or 6 is a felony.*

**Sec. 13. [349A.13] [RESTRICTIONS.]**

*The director may not:*

*(1) conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240;*

*(2) install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and*

*(3) sell pull-tabs as defined under section 349.12, subdivision 10.*

**Sec. 14. [349A.14] [AUDIT.]**

*The director shall contract for an annual certified audit of all accounts and transactions of the lottery. 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 lottery with the governor and the legislature.*

**Sec. 15. [349A.15] [REPORT.]**

*The director shall file an annual report with the governor and legislature setting forth a complete statement of lottery revenues, administrative and operating costs, net revenues transferred under section 10, and other financial transactions for the period the report covers.*

**Sec. 16. [INITIAL DIRECTOR OF THE STATE LOTTERY.]**

*The governor shall appoint the initial director of the state lottery agency from the person or persons which are recommended to the governor by the governor's commission on the lottery which was appointed by the governor on December 8, 1988.*

**Sec. 17. [APPROPRIATION.]**

*Subdivision 1. [LOAN.] There is appropriated from the general fund to*

*the director of the state lottery the sum of \$ . . . . . This appropriation is available until expended. The director shall reimburse the general fund from the lottery fund the amount appropriated under this subdivision by June 30, 1991.*

*Subd. 2. [COMPLEMENT.] The approved complement of the lottery division is . . . . .*

Sec. 18. [EFFECTIVE DATE.]

*Sections 1 to 15 and 17 are effective July 1, 1989. Section 16 is effective the day following final enactment.*

ARTICLE 2  
MISCELLANEOUS

Section 1. Minnesota Statutes 1988, 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;
- (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;

OF

or

(p) the director, deputy director, and assistant directors of the state lottery agency.

Sec. 2. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;  
 Commissioner of education;  
 Commissioner of transportation;  
 Commissioner of human services;  
 Commissioner of revenue;  
*Director, Minnesota state lottery;*  
 Executive director, state board of investment;

\$50,000-\$67,500

Commissioner of administration;  
 Commissioner of agriculture;  
 Commissioner of commerce;  
 Commissioner of corrections;  
 Commissioner of jobs and training;  
 Commissioner of employee relations;  
 Commissioner of health;  
 Commissioner of labor and industry;  
 Commissioner of natural resources;  
 Commissioner of public safety;  
 Commissioner of trade and economic development;  
 Chair, waste management board;  
 Chief administrative law judge; office of administrative hearings;  
 Commissioner, pollution control agency;  
 Commissioner, 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;

**\$42,500-\$60,000**

Commissioner of human rights;

Commissioner, department of public service;

Commissioner of veterans' affairs;

Commissioner, bureau of mediation services;

Commissioner, public utilities commission;

Member, transportation regulation board;

Ombudsman for corrections;

Ombudsman for mental health and retardation.

Sec. 3. Minnesota Statutes 1988, section 290.92, is amended by adding a subdivision to read:

*Subd. 29. [LOTTERY PRIZES.] The director of the Minnesota state lottery shall deduct and withhold eight percent of the payment of winnings which are subject to withholding as Minnesota withholding tax. For purposes of this subdivision, the term "winnings which are subject to withholding" has the meaning given in section 3402(q)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1988. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the director of the Minnesota state lottery with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment. The Minnesota state lottery is liable for the payment of the tax required to be withheld under this subdivision but is not liable to any person for the amount of the payment.*

Sec. 4. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

*Subd. 42. [STATE LOTTERY TICKETS.] The gross receipts from the sale of tickets for the state lottery under chapter 349A are exempt.*

Sec. 5. Minnesota Statutes 1988, section 340A.410, subdivision 5, is amended to read:

**Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed**

to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under chapter 349.

(c) *Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the state lottery under chapter 349A.*

Sec. 6. Minnesota Statutes 1988, 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, *purchase or sale of tickets in the state lottery*, or gambling authorized under ~~chapter~~ *chapters 349 and 349A.*

Sec. 7. Minnesota Statutes 1988, 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~~ *chapters 240 and 349 or purchase of tickets in the state lottery under chapter 349A.*

Sec. 8. Minnesota Statutes 1988, 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 and sale of state lottery tickets under chapter 349A.*

Sec. 9. Minnesota Statutes 1988, section 609.761, is amended to read:

609.761 [OPERATIONS PERMITTED.]

*Subdivision 1. [LAWFUL GAMBLING.] Notwithstanding sections 609.755 and 609.76, an organization may conduct lawful gambling as defined in section 349.12, if authorized under chapter 349, and a person may manufacture, sell, or offer for sale a gambling device to an organization authorized under chapter 349 to conduct lawful gambling, and pari-mutuel betting on horse racing may be conducted under chapter 240.*

*Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A.*

Sec. 10. [EFFECTIVE DATE.]

*Sections 1 to 9 are effective July 1, 1989."*

Delete the title and insert:

"A bill for an act relating to gambling; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law as Minnesota Statutes, chapter 349A."

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. 438, 200, 182, 247, 361 and 203 were read the second time.

## MOTIONS AND RESOLUTIONS

Mrs. Lantry moved that her 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. 150. The motion prevailed.

Mr. Lessard moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 150. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Novak be added as a co-author to S.F. No. 401. The motion prevailed.

Mr. Beckman moved that his name be stricken as a co-author to S.F. No.

484. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 484. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Beckman be added as a co-author to S.F. No. 494. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 629. The motion prevailed.

Mr. Pehler moved that the name of Mr. Solon be added as a co-author to S.F. No. 722. The motion prevailed.

Mr. Benson moved that the name of Mr. Pehler be added as a co-author to S.F. No. 724. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 738. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 739. The motion prevailed.

Messrs. Bertram, Beckman, Larson and Vickerman introduced—

Senate Resolution No. 54: A Senate resolution commemorating the VFW Ladies Auxiliary for their community service.

Referred to the Committee on Rules and Administration.

Mr. Berg moved that S.F. No. 182, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 574 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 574: A bill for an act relating to natural resources; providing for a deficiency in the appropriation for emergency deer feeding; appropriating money.

Was read the third time 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	Purfeerst
Anderson	Decker	Knaak	Metzen	Ramstad
Beckman	DeCramer	Knutson	Moe, D.M.	Reichgott
Belanger	Dicklich	Kroening	Moe, R.D.	Renneke
Benson	Diessner	Langseth	Morse	Samuelson
Berg	Frank	Lantry	Novak	Schmitz
Berglin	Frederick	Larson	Olson	Solon
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Spear
Bertram	Frederickson, D.R.	Luther	Pehler	Storm
Brataas	Freeman	Marty	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Vickerman
Cohen	Hughes	McQuaid	Piper	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	

So the bill passed and its title was agreed to.



**CONSENT CALENDAR**

S.F No. 112: A bill for an act relating to vocational rehabilitation: changing term "extended employment plan participants" to "workers": amending Minnesota Statutes 1988, section 129A.08, 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F No. 686: A resolution memorializing the President and Congress to condemn the government of Iran because of its action against Salman Rushdie and to refuse efforts to return frozen Iranian assets to Iran.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the resolution 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. Knaak, Storm and Mrs. McQuaid introduced—

S.F No. 750: A bill for an act relating to individual income taxation; exempting wartime relocation restitution payments to Japanese-Americans

from taxation; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Vickerman introduced—

S.F. No. 751: A bill for an act relating to taxation; allowing a special levy to the cities of Windom and Jackson to meet costs of operating municipal hospitals; amending Minnesota Statutes 1988, section 275.50, subdivision 5, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon, Metzen, Gustafson and Mehrkens introduced—

S.F. No. 752: A bill for an act relating to agriculture; appropriating money to discharge mandated grain inspection costs at Duluth; proposing coding for new law in Minnesota Statutes, chapter 17B.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Spear; Moe, R.D.; Luther; Merriam and Taylor introduced—

S.F. No. 753: A bill for an act relating to government operations; creating a drug abuse prevention resource council; providing for its membership, powers, and duties; appropriating money; amending Minnesota Statutes 1988, section 256.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 144; and 152.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 754: A bill for an act relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

Referred to the Committee on Agriculture and Rural Development.

Mrs. Brataas, Messrs. Gustafson, Larson, Frederick and Benson introduced—

S.F. No. 755: A bill for an act relating to unemployment compensation; regulating benefit requalification after voluntary quit or discharge for misconduct; amending Minnesota Statutes 1988, section 268.09, subdivision 1.

Referred to the Committee on Employment.

Mrs. Brataas, Messrs. Gustafson, Storm, Mehrkens and Anderson introduced—

S.F. No. 756: A bill for an act relating to workers' compensation; eliminating supplemental benefits for new claims; amending Minnesota Statutes 1988, section 176.132, subdivision 1.

Referred to the Committee on Employment.

Mr. Vickerman, Ms. Peterson, D.C.; Mrs. Lantry, Messrs. Diessner and Storm introduced—

S.F. No. 757: A bill for an act relating to occupations and professions; establishing the board of professional counseling; requiring professional counselors to be licensed; appropriating money; amending Minnesota Statutes 1988, sections 148A.01, subdivision 5; 148B.01, subdivision 6, and by adding a subdivision; 148B.02, subdivision 1; 148B.40, subdivision 3; 214.01, subdivision 2; 214.04, subdivision 3; and 609.341, subdivision 17; proposing coding for new law in Minnesota Statutes, chapter 148B.

Referred to the Committee on Health and Human Services.

Mrs. Pariseau introduced—

S.F. No. 758: A bill for an act relating to the Vermillion River watershed district; changing certain approval procedures.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon and Gustafson introduced—

S.F. No. 759: A bill for an act relating to capital improvements; appropriating money for the Duluth public marine terminal; authorizing sale of state bonds.

Referred to the Committee on Local and Urban Government.

Messrs. Knaak, Laidig, Mrs. McQuaid and Mr. Mehrkens introduced—

S.F. No. 760: A bill for an act relating to education; increasing the general education formula allowance; increasing the special education reimbursement; authorizing a levy for teacher retirement costs; appropriating money; amending Minnesota Statutes 1988, sections 124.32, subdivision 1b; 124A.22, subdivision 2; and 275.125, by adding a subdivision; repealing Minnesota Statutes 1988, sections 124A.22, subdivisions 7, 8, and 9; and 124A.23, subdivision 2a.

Referred to the Committee on Education.

Mr. Benson, Mmes. Brataas, Pariseau, Messrs. Storm and McGowan introduced—

S.F. No. 761: A bill for an act relating to individual income taxation; allowing a dependent care credit equal to the federal credit; repealing Minnesota Statutes 1988, section 290.067, subdivisions 2 and 2a.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Adkins, Mr. Gustafson and Mrs. Brataas introduced—

S.F. No. 762: A bill for an act relating to employment; setting the minimum wage for employees who receive gratuities; amending Minnesota Statutes 1988, section 177.24, subdivision 1.

Referred to the Committee on Employment.

Mmes. Pariseau, McQuaid, Messrs. Bernhagen, Laidig and Hughes introduced—

S.F. No. 763: A bill for an act relating to elections; defining expenses a candidate must pay for an optional recount; amending Minnesota Statutes 1988, sections 204C.35, subdivision 2; and 204C.36.

Referred to the Committee on Elections and Ethics.

Mr. Pehler introduced—

S.F. No. 764: A bill for an act relating to local government; changing conditions for the establishment and operation of special service districts in Sartell, Sauk Rapids, St. Cloud, Isle, Mora, Becker, and Waite Park; amending Laws 1985, chapter 301, sections 5, subdivision 5; 7, subdivision 1; 9; 12; and 13, subdivision 2; repealing Laws 1985, chapter 301, section 7, subdivision 4.

Referred to the Committee on Local and Urban Government.

Mr. Frederickson, D.R. introduced—

S.F. No. 765: A bill for an act relating to human services; creating an exception to the moratorium on certification of nursing home beds; amending Minnesota Statutes 1988, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Mehrkens introduced—

S.F. No. 766: A bill for an act relating to taxation; allowing a special levy to Goodhue county for a county historical society; amending Minnesota Statutes 1988, section 275.50, subdivision 5, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Freeman and Belanger introduced—

S.F. No. 767: A bill for an act relating to education; allowing school districts to use certain community education levies to purchase capital equipment; amending Minnesota Statutes 1988, section 275.125, subdivision 8.

Referred to the Committee on Education.

Messrs. Storm, Solon and Berg introduced—

S.F. No. 768: A bill for an act relating to crimes; authorizing imposition of the death penalty for murder in certain circumstances; providing a statutory framework, including procedures and criteria, consistent with due process for determining when the imposition of the death penalty is appropriate; requiring the court to select the mode of execution; providing for automatic appellate review of death penalty cases; providing for appointment of attorneys in death penalty cases; providing an administrative framework for implementing the death penalty; amending Minnesota Statutes 1988, sections 243.05, subdivision 1; 609.10; 609.12, subdivision 1; 609.135, subdivision 1; 609.185; 609.19; and 611.25, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 609A.

Referred to the Committee on Judiciary.

Mr. Belanger introduced—

S.F. No. 769: A bill for an act relating to torts; providing immunity against tort liability for any school district which is unable to obtain insurance for claims relating to asbestos or hazardous waste; amending Minnesota Statutes 1988, section 466.06.

Referred to the Committee on Judiciary.

Messrs. Storm and Anderson introduced—

S.F. No. 770: A resolution memorializing the President and Congress of the United States to take action to isolate Iran because of its barbarism.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. DeCramer, Solon, Mrs. McQuaid, Messrs. Pehler and Benson introduced—

S.F. No. 771: A bill for an act relating to charitable gambling; authorizing and regulating the use of video pull-tab devices at certain locations; regulating manufacturers and distributors of these devices; providing a tax; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivision 15, and by adding subdivisions; 349.161, subdivisions 1, 2, 3, 5, and by adding subdivisions; 349.162, subdivision 2, and by adding subdivisions; 349.163, by adding a subdivision; 349.212, subdivision 4; 349.2121, subdivisions 1 and 10; 349.2122; and 349.30, subdivision 2; proposing coding for new law in chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. Pariseau, Messrs. Purfeerst; Frederickson, D.R.; Bernhagen and Mrs. Lantry introduced—

S.F. No. 772: A bill for an act relating to traffic regulations; providing that signs for handicapped parking spaces state penalty imposed for unlawful use; amending Minnesota Statutes 1988, section 169.346, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Marty and Hughes introduced—

S.F. No. 773: A bill for an act relating to the city of Roseville; authorizing the city to use certain taxes to establish and operate a sports and recreation facility.

Referred to the Committee on Local and Urban Government.

Messrs. Marty and Hughes introduced—

S.F. No. 774: A bill for an act relating to economic development; appropriating money to plan a sports and recreation facility.

Referred to the Committee on Local and Urban Government.

Mr. Frank, Mrs. Brataas, Messrs. Chmielewski and Kroening introduced—

S.F. No. 775: A bill for an act relating to workers' compensation; requiring a report on recodification and simplification of the workers' compensation law; appropriating money.

Referred to the Committee on Employment.

Messrs. Solon, Metzen and Purfeerst introduced—

S.F. No. 776: A bill for an act relating to crimes; providing mandatory minimum penalties for aggravated robbery of a pharmacy; amending Minnesota Statutes 1988, section 609.245.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 777: A bill for an act relating to commerce; restraint of trade; providing an evidentiary presumption in resale price maintenance cases; proposing coding for new law in Minnesota Statutes, chapter 325D.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 778: A bill for an act relating to human services; authorizing general assistance medical care payments for patients in facilities determined to be institutions for mental diseases; creating an exception to negotiated rate facility limits for institutions for mental diseases.

Referred to the Committee on Health and Human Services.

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

S.F. No. 779: A bill for an act relating to human services; allowing for allocation of federal fiscal disallowances; amending date for rule adoption for family and group family foster care; permitting charges for postadoption services; permitting charges for searches involving original birth certificate information; amending Minnesota Statutes 1988, sections 256.01, subdivision 2; 256F05, subdivisions 2, 3, and 4; 257.071, subdivision 7; 259.47, subdivision 5; and 259.49, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 256E and 256F; repealing Minnesota Statutes 1988, section 256F05, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Benson, Ms. Piper, Messrs. Taylor, Dicklich and Johnson, D.E. introduced—

S.F. No. 780: A bill for an act relating to capital improvements; providing for capital expenses in the Rochester area of southeastern Minnesota; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Education.

Mrs. Brataas, Messrs. Morse; Moe, R.D.; Mehrkens and Frederick introduced—

S.F. No. 781: A bill for an act relating to capital improvements; providing for capital expenses in the Rochester area of southeastern Minnesota; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Education.

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

S.F. No. 782: 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 1988, sections 121.843; 121.844; and 121.845.

Referred to the Committee on Education.

Mr. Solon introduced—

S.F. No. 783: A bill for an act relating to education; proposing a fifth year incentive plan for teachers in the Duluth school district.

Referred to the Committee on Education.

Messrs. Belanger, Solon, Samuelson, Mrs. Adkins and Mr. Anderson introduced—

S.F. No. 784: A bill for an act relating to commerce; prohibiting car rental companies from holding renters liable for damages, except under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Messrs. Belanger, Stumpf, Novak, Chmielewski and Larson introduced—

S.F. No. 785: A bill for an act relating to taxation; extending valuation and deferment of agricultural property taxes in certain instances; amending Minnesota Statutes 1988, section 273.111, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bertram, Larson, Benson, Schmitz and Mrs. Adkins introduced—

S.F. No. 786: A bill for an act relating to sheriffs; allowing county boards to set sheriffs' fees; amending Minnesota Statutes 1988, section 357.09.

Referred to the Committee on Local and Urban Government.

Messrs. Waldorf, Brandl, Benson and Knutson introduced—

S.F. No. 787: A bill for an act relating to human services; establishing reporting requirements; defining the functions and responsibilities of the commissioner in supervising community social services administered by the counties; requiring the commissioner of human services to ensure compliance with applicable program laws and regulations; implementing corrective action plans; providing sanctions and establishing an incentive program;

amending Minnesota Statutes 1988, sections 245.482; 245.716; 245.73, subdivision 4; 252.275, subdivision 7; 256.01, subdivision 2; 256.72; 256.736, subdivision 15; 256.871, subdivision 6; 256.935, subdivision 1; 256B.05, subdivision 1; 256B.20; 256D.04; 256D.39; 256E.05, subdivision 3, and by adding subdivisions; 256E.08, subdivisions 1 and 8; 256F.06, subdivision 4; 256H.09, subdivision 1; and 257.3575, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Vickerman, Samuelson and Ms. Berglin introduced—

S.F. No. 788: A bill for an act relating to corrections; providing that prisoners pay for medical expenses when they have the ability to pay; amending Minnesota Statutes 1988, section 641.15.

Referred to the Committee on Health and Human Services.

Mr. Vickerman, Ms. Berglin, Messrs. Spear, Renneke and Mrs. Adkins introduced—

S.F. No. 789: A bill for an act relating to child care; amending certain provisions of the child care fund; amending provisions of the child care resource and referral grant program; amending provisions of the child care services grant program; amending Minnesota Statutes 1988, sections 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.07; 256H.08; 256H.09; 256H.10, subdivision 3, and by adding a subdivision; 256H.11; 256H.12; 256H.13; 256H.15; 256H.18; and 256H.20, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256H; repealing Minnesota Statutes 1988, sections 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 256H.04; 256H.05, subdivision 4; 256H.06; and 256H.07, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Schmitz; Hughes; Johnson, D.E.; Luther and Mrs. McQuaid introduced—

S.F. No. 790: A bill for an act relating to local government; clarifying certain procedures for adoption of town optional plans of government; amending Minnesota Statutes 1988, sections 367.31, subdivisions 1, 2, 3, and 5; and 367.33, subdivisions 1 and 5.

Referred to the Committee on Elections and Ethics.

Mses. Peterson, D.C.; Olson; Messrs. Spear, Pogemiller and Ramstad introduced—

S.F. No. 791: A bill for an act relating to Hennepin county; permitting appropriations for the arts; proposing coding for new law in Minnesota Statutes, chapter 383B.

Referred to the Committee on Local and Urban Government.

Messrs. Luther and McGowan introduced—

S.F. No. 792: A bill for an act relating to retirement; volunteer firefighters; excluding volunteer firefighters serving with the Brooklyn Park fire department from the definition of public employee.



Referred to the Committee on Governmental Operations.

Mr. Davis introduced—

S.F. No. 793: A bill for an act relating to education; approving a capital loan to the Ogilvie school district.

Referred to the Committee on Education.

Ms. Berglin, Messrs. Benson, Waldorf and Moe, R.D. introduced—

S.F. No. 794: A bill for an act relating to human services; establishing a capital replacement fund for nursing homes; authorizing certain changes in the property costs for nursing homes; amending Minnesota Statutes 1988, section 256B.431, subdivisions 3f, 4, and by adding subdivisions; repealing Minnesota Statutes 1988, sections 256B.431, subdivision 3c.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 795: A bill for an act relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving spouses.

Referred to the Committee on Governmental Operations.

Mr. Laidig, Meses. Reichgott and Peterson, D.C. introduced—

S.F. No. 796: 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.

Messrs. Ramstad, Mehrkens and Pogemiller introduced—

S.F. No. 797: A bill for an act relating to education; requiring planning by post-secondary systems; appropriating money.

Referred to the Committee on Education.

Messrs. Hughes, Schmitz, Luther, Ms. Piper and Mr. Johnson, D.E. introduced—

S.F. No. 798: A bill for an act relating to elections; eliminating a penalty for issuing certain election certificates; amending Minnesota Statutes 1988, section 211A.05, subdivision 1.

Referred to the Committee on Elections and Ethics.

Messrs. Morse; Taylor; Frederickson, D.J.; Luther and Pogemiller introduced—

S.F. No. 799: A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, disability, and survivor benefit provisions; amending Minnesota Statutes 1988, sections 356.30, subdivision 3; 356.302, subdivision 7; and 356.303, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Hughes; Peterson, R. W.; Ms. Olson and Mr. Knaak introduced—

S.F. No. 800: A bill for an act relating to education; providing matching grants to school districts for participation in the Center for Applied Research and Education Improvement; appropriating money.

Referred to the Committee on Education.

Mr. Luther introduced—

S.F. No. 801: A bill for an act relating to insurance; clarifying the applicability of the antitrust laws to the business of insurance; amending Minnesota Statutes 1988, sections 70A.14, by adding a subdivision; 72A.17; and 72A.29, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 72A; repealing Minnesota Statutes 1988, sections 70A.10; 70A.15; and 70A.21, subdivision 2.

Referred to the Committee on Commerce.

#### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 2, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTEENTH DAY

St. Paul, Minnesota, Thursday, March 2, 1989

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

Prayer was offered by the Chaplain, Rev. Kenneth Ludescher.

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

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

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. Larson; Moe, D.M. and Stumpf were excused from the Session of today. Mr. Beckman was excused from the Session of today from 2:55 to 3:05 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 1, 1989

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:

Andrew Walters, Rt. 2, Balaton, Lyon County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Agriculture and Rural Development.)

February 21, 1989

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:

Peter X. Fugina, 5 Merritt Dr., Virginia, St. Louis County, has been appointed by me, effective February 5, 1989, for a term expiring the first Monday in January, 1995.

(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, herewith returned: S.F. No. 171.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 27, 1989

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 106, 214, 267, 371 and 410.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 27, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 106: A bill for an act relating to game and fish; selection process for wild turkey license holders; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 96.

H.F. No. 214: A bill for an act relating to taxation; making technical

corrections and clarifications to individual income and corporate franchise taxes; updating references to the Internal Revenue Code; imposing a tax and providing for withholding of certain payments to nonresidents; requiring surety payment by out-of-state contractors; amending Minnesota Statutes 1988, sections 290.01, subdivisions 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 19f; 290.06, subdivision 22; 290.067, subdivision 1; 290.0802, subdivisions 1 and 2; 290.095, subdivision 9; 290.17, subdivisions 1 and 2; 290.311, subdivision 1; 290.92, by adding subdivisions; and 291.005, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1988, section 290.01, subdivision 6a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 62, now on General Orders.

H.F. No. 267: A bill for an act relating to the military; reducing from two years to one year the number of years the adjutant general of the Minnesota national guard is required to serve as a brigadier general before promotion to major general; amending Minnesota Statutes 1988, section 190.07.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 191, now on General Orders.

H.F. No. 371: A bill for an act relating to corrections; authorizing the commissioner of corrections to take photographs of juveniles committed to the commissioner for management and law enforcement purposes; amending Minnesota Statutes 1988, section 260.161, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 605.

H.F. No. 410: A bill for an act relating to public safety; defining high pressure piping; regulating the practice of pipefitting; amending Minnesota Statutes 1988, section 326.461, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 438, now on General Orders.

## REPORTS OF COMMITTEES

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

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

S.F. No. 628: A bill for an act relating to eminent domain; providing for relocation benefits for displaced persons; amending Minnesota Statutes 1988, section 117.52, subdivision 1.

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. 618: A bill for an act relating to education; exempting employment by a school district from certain requirements relating to employment of rehabilitated criminal offenders; amending Minnesota Statutes 1988, section 364.09.

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. 560: A bill for an act relating to criminal procedure; providing for the Ramsey county attorney to prosecute certain gross misdemeanors; amending Minnesota Statutes 1988, section 388.051, subdivision 2.

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

Page 1, after line 22, insert:

“Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective upon approval of the Ramsey county board as provided in section 645.021.”*

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. 675: A bill for an act relating to crime; expanding the crime of failure to appear for a criminal court appearance; providing that the county attorney has jurisdiction to prosecute the crime; prescribing penalties; amending Minnesota Statutes 1988, sections 388.051, subdivision 2; and 609.49.

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

Page 1, delete section 1

Page 2, line 8, after “*crime*” insert “*for failure to appear*”

Page 2, line 19, delete everything after “*control*” and insert a period

Page 2, delete line 20 and insert:

*“Subd. 4. [PROSECUTION.] A violation of this section is prosecuted by the prosecuting authority who was responsible for prosecuting the offense in connection with which the person failed to appear in court.”*

Page 2, line 22, delete “*Sections 1 and 2 are*” and insert “*Section 1 is*” and delete “*apply*” and insert “*applies*”

Page 2, line 23, after “*crimes*” insert “*for failure to appear*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete “*providing that*”

Page 1, line 4, delete “*the county*” and insert “*specifying the*” and delete “*has*” and insert “*with*”

Page 1, line 6, delete “*sections 388.051, subdivision 2; and*” and insert “*section*”

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. 223: 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 1988, section 169.121, by adding a subdivision.

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

Page 1, line 14, delete "*a preponderance of the*" and insert "*clear and convincing*"

Page 1, line 15, after "*where the*" insert "*vehicle was when the*"

Page 1, after line 19, insert:

"Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective August 1, 1989, and applies to violations committed on or after that date.*"

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. 717: A bill for an act relating to financial institutions; permitting banks to perform clerical services at off-premises data processing and storage centers; proposing coding for new law in Minnesota Statutes, chapter 48.

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. 454: A bill for an act relating to consumer protection; regulating the sale of used motor vehicles; modifying certain definitions; amending Minnesota Statutes 1988, section 325F662, subdivisions 1 and 3.

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

Page 2, line 12, after "*warranty*" insert "*which provides coverage at least as broad with respect to covered components and duration as that required by this section*"

Page 3, line 12, after "*which*" insert a comma and after "*sold*" insert "*, is unrepaired and*"

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. 495: A bill for an act relating to commerce; regulating motor vehicle sales and distribution; determining reasonable compensation for warranty services performed by dealers; amending Minnesota Statutes 1988, section 80E.04, subdivision 2.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 24, delete "*the dealer's cost plus 30 percent*"

Page 1, line 25, delete "*or*"

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. 114: A bill for an act relating to the town of St. Augusta; authorizing the establishment of a detached banking facility under certain conditions.

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

Page 1, line 9, delete "25" and insert "100"

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. 465: A bill for an act relating to consumer protection; regulating new motor vehicle sales; limiting a dealer's liability due to the manufacturer's failure to repair, refund, or replace nonconforming vehicles; amending Minnesota Statutes 1988, section 325F.665, by adding a subdivision.

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

Page 1, line 12, delete the second "*a*" and insert "*an additional*"

Page 1, line 14, delete "*A*"

Page 1, delete lines 15 and 16

Page 1, line 17, delete "*subdivision.*"

Page 1, line 20, delete "*in the absence of*" and insert "*unless there is*"

Page 1, line 21, after "*had*" insert "*not*"

Page 1, line 22, after "*a*" insert "*timely manner or in a*" and delete "*inconsistent*" and insert "*consistent*"

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. 372: A bill for an act relating to employees; providing for a wage protection program; appropriating money; 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, delete "DEFINITION" and insert "WAGES DEFINED"

Page 1, line 21, delete "*department*" and insert "*commissioner*"



Page 2, lines 1 and 2, delete "*of the department of labor and industry*"

Page 2, line 2, delete "*department*" and insert "*commissioner*"

Page 2, line 6, delete the second "*the*" and insert "*an*"

Page 2, line 7, delete "*amounts*" and insert "*wages*"

Page 2, line 8, after "*employer*" insert "*to an employee*"

Page 2, line 9, delete "*the*" and insert "*a*"

Page 2, line 14, delete "*shall*" and insert "*must*"

Page 2, line 17, delete "\$200,000" and insert "\$400,000"

Page 2, line 18, delete "*the department of*"

Amend the title as follows:

Page 1, line 2, delete "providing for" and insert "establishing"

Page 1, line 3, after "program" insert "and fund"

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. 680: A bill for an act relating to workers' compensation; increasing maximum burial expense benefits; providing for certain death benefits; amending Minnesota Statutes 1988, sections 176.111, subdivision 18; and 176.129, subdivision 2.

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

Pages 1 and 2, delete section 2

Amend the title as follows:

Page 1, line 3, delete "providing for certain death"

Page 1, line 4, delete "benefits;" and delete "sections" and insert "section"

Page 1, line 5, delete "; and 176.129, subdivision 2"

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 590: A bill for an act relating to veterans; requiring a presentence investigation report on a convicted veteran to include information on whether the veteran is suffering from a posttraumatic stress disorder; requiring the chief executive officers of correctional facilities to provide veteran inmates suffering from posttraumatic stress disorders with appropriate medical care; amending Minnesota Statutes 1988, sections 241.06; and 609.115, by adding a subdivision.

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

Page 1, line 24, delete "*find out*" and insert "*determine*"

Page 2, line 9, before the period, insert “*or to the appropriate staff, including the veterans service officer in the county of the defendant’s residence and the United States Veterans Administration, when not ordered to serve a term of imprisonment*”

Page 3, line 16, delete “*find out*” and insert “*determine*”

Page 3, line 22, after “*medical*” insert “*and mental health*” and delete “*, including transfer to*” and insert a period

Page 3, delete lines 23 and 24

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

S.F. No. 64: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Carlton 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. 96: A bill for an act relating to game and fish; selection process for wild turkey license holders; amending Minnesota Statutes 1988, section 97A.435, 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. [97B.723] [COMMISSIONER MAY LIMIT NUMBER OF TURKEY HUNTERS.]

*The commissioner may establish a method, including a drawing, to impartially select persons eligible to take turkeys in an area. Preference must be given to persons that have previously applied in the general selection but have not been selected.*”

Delete the title and insert:

“A bill for an act relating to game and fish; selection process for wild turkey license holders; 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. 108: A bill for an act relating to natural resources; authorizing fees for special hunts; amending Minnesota Statutes 1988, section 97A.401, subdivision 4.

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

Page 1, line 15, delete "*and must not exceed*"

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. 297: A bill for an act relating to game and fish; authorizing party hunting for small game; authorizing party fishing by spearing and angling; proposing coding for new law in Minnesota Statutes, chapters 97B and 97C.

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

Pages 1 and 2, delete section 2 and insert:

"Sec. 2. [97C.317] [FISHING AS A PARTY.]

*While two or more persons are taking fish by angling as a party, the total number of fish taken and the total number of fish possessed by the party may not exceed the limit of the number of persons in the party that may take and possess fish by angling. For the purpose of this section a party means, for persons who are not on the water the persons are maintaining unaided visual and vocal contact, and for persons who are on the water the persons are angling from a single watercraft."*

Amend the title as follows:

Page 1, lines 3 and 4, delete "spearing 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. 390: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Todd 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; TODD COUNTY.]

*Notwithstanding Minnesota Statutes, section 282.018, Todd county may sell certain tax-forfeited land bordering public water, located in Todd county and described in this section, in the manner provided in this section and the appropriate appraisal, sale, and conveyance provisions for tax-forfeited land under Minnesota Statutes, chapter 282.*

*The land described in this section may be sold to the state for the use of the commissioner of natural resources or to the public for a consideration not less than its appraised value. The commissioner of natural resources may exercise the option to purchase the land for the state until October 1, 1989. After October 1, 1989, the land may be offered for public sale under Minnesota Statutes, chapter 282. The conveyance must be in a form approved by the attorney general.*

*The land that may be sold consists of 34,000 square feet, more or less, borders Big Sauk Lake in Todd county, and is located in Section 23, Township 127 North, Range 33 West, and is described as: Lot 4, Block 1, of Scenic Valley, Big Sauk Lake Addition.*

*Since the land, which has about 100 feet of lake frontage, forfeited to the state in 1985, the buildings on the property have deteriorated, been vandalized, and decreased in value. The county has no use for the property and finds that it would be put to better use following sale.*

**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. 88: A bill for an act relating to tax-forfeited lands; authorizing St. Louis county to sell certain tax-forfeited lands adjacent to public waters by private sale.

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

Delete everything after the enacting clause and insert:

**"Section 1. [PUBLIC SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]**

*(a) Notwithstanding Minnesota Statutes, section 282.018, St. Louis county may sell the tax-forfeited land bordering public waters and described in paragraph (c) in the manner provided for appraisal, sale, and conveyance of tax-forfeited land by Minnesota Statutes, chapter 282.*

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

*(c) The land that may be conveyed is located in St. Louis county and is described as:*

*(1) Lots 4 and 5, Block 1, and Lots 2, 4, 5, and 6, Block 2, of Rearrangement of Part of Stoney Brook Park, Mt. Iron; and*

*(2) Lot 6, Block 1, of Stoney Brook Park, Mt. Iron.*

*(d) The lands in this section border on a relocated drainage ditch, which is public waters in the city of Mt. Iron, are not needed for state purposes and would better serve the public's interest if the lands were privately owned.*

**Sec. 2. [PRIVATE SALES OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.]**

*Subdivision 1. (a) Notwithstanding Minnesota Statutes, section 282.018, or the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may sell the tax-forfeited lands bordering public waters and described in subdivision 2, to the persons indicated, by private sale for not less than appraised value.*

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

*Subd. 2. (a) The following lands located in St. Louis county may be sold to the persons indicated.*

*(b) St. Louis county may sell to Charlotte Ekroot, Windigo Lodge, Grand Marais: that part of the Southeast Quarter of the Northwest Quarter of Section 9, Township 55 North, Range 12 West, lying west of the township road. A cabin and a tool shed were built on what they thought was their property. Later surveys indicated that they had built on tax-forfeited property.*

*(c) St. Louis county may sell to Manson Berg, 2930 Miller Trunk Highway, Duluth: the easterly 164.1 feet of the South Half of the Northwest Quarter of the Southwest Quarter of the Southwest Quarter, Section 12, Township 50 North, Range 15 West. The adjacent property has belonged to Mr. Berg since 1978. Due to incorrect survey lines, part of Mr. Berg's trailer park along with water and sewage system was located on 1.24 acres of tax-forfeited land. This land is surrounded by private property and has no road access.*

*(d) St. Louis county may sell to Mablo Enrico, 202 First Street N.W., Chisholm: part of Outlot B, beginning at a point 83.96 feet South and 212.77 feet West of the Northwest corner, go South 47 degrees 9 minutes East 393 feet to a point on the West line of a platted road, thence South 42 degrees 51 minutes West along the west side of said road 100 feet, thence North 47 degrees 9 minutes West 396 feet to a point on the shore of Long Lake, thence in a northerly and easterly direction 100 feet to the point of beginning. Plat of Long Lake Beach, Lot 1, Sec. 17, Lot 7, Section 18, all in Township 59 North, Range 20 West. Mr. Enrico, who has been diagnosed as having Alzheimer's Disease, forgot to pay taxes on his lake-shore lot and it was forfeited. The family would like to redeem the property.*

*(e) St. Louis county may sell to William Moffat, P. O. Box 434, Tower: an undivided three-eighths interest in the easterly 175 feet of Government Lot 8, Section 19, Township 62 North, Range 14 West. Mr. Moffat requested use of tax-forfeited lands adjoining his property. New surveys indicated that his garage and part of his house are already on that property.*

*(f) St. Louis county may sell to Rodney and Mary Lou Halunen, 1009 1st Street South, Virginia: the North Half of Lot 8 of Ruth Ann's Acres, Little Fourteen Lake, Government Lot 1, Section 13, Township 60 North, Range 19 West. Lot 8 is a small undevelopable lake lot between two private landowners. The department of natural resources has stated that there is no need for a public access. The county recommends that it be split and sold to the two landowners in paragraphs (f) and (g).*

*(g) St. Louis county may sell to Steve Prelesnik, Route 1, Box 790, Britt: the South Half of Lot 8 of Ruth Ann's Acres, Little Fourteen Lake, Government Lot 1, Section 13, Township 60 North, Range 19 West. Lot 8 is a small undevelopable lake lot between two private landowners. The department of natural resources has stated that there is no need for a public access. The county recommends that it be split and sold to the two landowners in paragraphs (f) and (g).*

*(h) Lands in this section are not needed for state purposes and the public's interest would be better served if the lands were publicly owned.*

**Sec. 3. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]**

*Notwithstanding Minnesota Statutes, section 282.018, or the public sale*

*provisions of Minnesota Statutes, chapter 282, St. Louis county may sell the property described in this section by private sale to Lawrence and Marjo Mencel, 1715 Maryland Avenue, Superior, Wisconsin.*

*The conveyance must be in a form approved by the attorney general.*

*The property that may be sold is located in St. Louis county and described as: an undivided one-half interest in Lot 23, Bass Lake Shores, that is platted as part of Government Lot 8, Section 34, Township 55, North of Range 15, West of the fourth principal meridian.*

*An undivided one-half interest of Lot 23 was forfeited for nonpayment of delinquent taxes for the years 1950 and 1953. The Mencels own the other undivided one-half interest in Lot 23 and an adjacent parcel that includes a building partially located on Lot 23. The state's interest is not manageable as an undivided interest and it would be in the public's interest to place the entire property with the Mencels.*

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 state lands; authorizing St. Louis county to sell certain tax-forfeited lands bordering public waters."

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. 352: A bill for an act relating to charitable gambling; allowing licensed organizations to conduct casino nights under specified conditions; allowing organizations to use profits derived from a casino night to maintain and repair real property that they own or lease; amending Minnesota Statutes 1988, sections 349.12, subdivisions 2, 15, and by adding a subdivision; and 349.214, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 349.

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

Page 2, line 10, after "or" insert "exclusively"

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 600: A bill for an act relating to animals; granting certain powers to animal control officers; amending Minnesota Statutes 1988, section 343.29, subdivision 1.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1988, section 343.20, is amended by

adding a subdivision to read:

*Subd. 5. [ANIMAL CONTROL OFFICER.] "Animal control officer" means an officer employed by or under contract with an agency of the state, county, municipality, or other governmental subdivision of the state which is responsible for animal control operations in its jurisdiction."*

Page 1, line 14, after "officer" insert "*, animal control officer,*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 343.20, by adding a subdivision; and"

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. 588: A bill for an act relating to horse racing; allowing a licensed racetrack to conduct pari-mutuel betting on televised races on days when races are not conducted at the licensed racetrack; allowing the licensed racetrack to commingle pari-mutuel pools with the sending racetrack; amending Minnesota Statutes 1988, sections 240.01, subdivision 10, and by adding a subdivision; 240.10; 240.13, subdivisions 1, 3, and by adding a subdivision; 240.14, by adding a subdivision; 240.16, by adding a subdivision; and 240.29.

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

Page 2, line 33, delete "*that was in existence on January 1, 1987,*"

Page 3, line 5, after the period, insert "*A class B licensee within the seven-county metropolitan area may conduct pari-mutuel betting on a televised racing day only on televised races run by a breed which ran at the licensed racetrack within the 12 months preceding the televised racing day.*"

Page 3, line 15, after the period, insert "*Notwithstanding subdivision 4, breakage for pari-mutuel pools on a televised racing day must be calculated in accordance with the law or rules governing the sending racetrack, and must be distributed in a manner agreed to between the licensee and the sending racetrack.*"

Page 3, line 22, delete "*four*" and insert "*22*"

Page 3, line 31, delete "*additional*"

Page 3, line 32, after "*involved*" insert "*in addition to the amounts required to be set aside during the next racing meeting under subdivision 5*"

Page 3, delete lines 33 to 36

Page 4, delete lines 1 to 6 and insert:

*"(d) The disbursement of all remaining amounts withheld from pari-mutuel pools on a televised racing day, except amounts payable as a tax under section 240.15, subdivision 1, must be as agreed to between the*

*sending racetrack and the licensee. However, a portion of the disbursement before division between the sending racetrack and the licensee may be used by the licensee to pay purses in excess of the amounts required under subdivision 5 during the licensee's next racing meeting. If the licensee so uses a portion of the remaining amounts for purse payments the allocation must be as agreed to between the licensee and the horseperson's organization which represented, at the licensee's racetrack during the previous 12 months, the breed running the racing on the televised racing day."*

Page 4, line 15, delete the first "the" and insert "each" and after "race-track" insert "in this state"

Page 4, line 20, delete everything after the first "by"

Page 4, line 21, delete "steward or the"

Page 4, line 23, delete "shall have" and insert "has" and delete "specified for a"

Page 4, delete line 24 and insert "provided by rule."

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 69: A bill for an act relating to education; giving students the right to be absent from school because of religious beliefs; proposing coding for new law in Minnesota Statutes, chapters 120 and 135A.

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

Delete everything after the enacting clause and insert:

"Section 1. [120.106] [ABSENCE FROM SCHOOL FOR RELIGIOUS OBSERVANCE.]

*Subdivision 1. [CURRICULAR ACTIVITY.] A public school pupil who wishes to be excused from a curricular activity, including a class or an exam, for a religious observance must be excused. If the school has requirements for excused absences that do not conflict with this section, the pupil must meet them.*

*Subd. 2. [OPPORTUNITY TO MAKE UP.] The school board must give the pupil a reasonable opportunity to make up the activity.*

*Subd. 3. [NO PENALTY.] The school board must not penalize the pupil if the pupil exercises a right under this section.*

*Subd. 4. [ADMINISTRATIVE CONFERENCE.] A pupil or a parent or guardian of a pupil who claims to be penalized under this section may ask for an administrative conference with the principal. The request must be made in writing. The school board may have an official in place of the principal at the conference."*

Delete the title and insert:

"A bill for an act relating to education; clarifying the right to be absent from school for religious observances; proposing coding for new law in Minnesota Statutes, chapter 120."

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. 149: A bill for an act relating to education; authorizing the Minneapolis school district to pay health insurance premium subsidies more often than annually; amending Minnesota Statutes 1988, section 275.125, subdivision 6h.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 210 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.
210	229				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 210 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 210 and insert the language after the enacting clause of S.F. No. 229, the first engrossment; further, delete the title of H.F. No. 210 and insert the title of S.F. No. 229, the first engrossment.

And when so amended H.F. No. 210 will be identical to S.F. No. 229, and further recommends that H.F. No. 210 be given its second reading and substituted for S.F. No. 229, 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. Chmielewski from the Committee on Employment, to which was referred the following appointment as reported in the Journal for January 9, 1989:

#### WORKERS' COMPENSATION COURT OF APPEALS

Richard C. Pranke

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

Mr. Luther 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 the following appointment as reported in the Journal for January 12, 1989:

#### WORKERS' COMPENSATION COURT OF APPEALS

Edward Toussaint, Jr.

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

Mr. Luther moved that the foregoing committee report be laid on the table. The motion prevailed.

#### SECOND READING OF SENATE BILLS

S.F. Nos. 628, 618, 560, 675, 223, 717, 454, 495, 114, 465, 680, 64, 96, 108, 297, 390, 88, 600, 69 and 149 were read the second time.

#### SECOND READING OF HOUSE BILLS

H.F. No. 210 was read the second time.

#### MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the name of Mr. Marty be added as a co-author to S.F. No. 287. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Merriam be added as a co-author to S.F. No. 325. The motion prevailed.

Ms. Berglin moved that the name of Mr. Marty be added as a co-author to S.F. No. 379. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Diessner be added as a co-author to S.F. No. 400. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Marty be added as a co-author to S.F. No. 409. The motion prevailed.

Mr. Spear moved that the names of Messrs. Samuelson, Freeman, Mrs. McQuaid and Ms. Peterson, D.C. be added as co-authors to S.F. No. 413. The motion prevailed.

Mr. Frank moved that the names of Messrs. Merriam, Bernhagen and Mrs. McQuaid be added as co-authors to S.F. No. 448. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 557. The motion prevailed.

Mr. Pogemiller moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 647. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Kroening be added as a co-author to S.F. No. 714. The motion prevailed.

Mr. Spear moved that the name of Mr. Cohen be added as a co-author to S.F. No. 748. The motion prevailed.

Mr. Knaak moved that the name of Mr. Spear be added as a co-author to S.F. No. 750. The motion prevailed.

Mr. Frank moved that the name of Ms. Piper be added as a co-author to

S.F. No. 775. The motion prevailed.

Mr. Laidig moved that the name of Mr. Spear be added as a co-author to S.F. No. 796. The motion prevailed.

Mrs. Lantry moved that S.F. No. 352 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Governmental Operations. 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. 169, 115, 286, 363, 117, 123, 121 and H.F. Nos. 29 and 113, which the committee recommends to pass.

S.F. No. 168, which the committee recommends to pass with the following amendments offered by Messrs. Diessner and Dahl:

Mr. Diessner moved to amend S.F. No. 168 as follows:

Page 1, line 10, delete "*This section*"

Page 1, delete line 11

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend S.F. No. 168 as follows:

Page 1, line 10, delete "*This section*"

Page 1, delete line 11 and insert:

"Sec. 2. [ANOKA COUNTY; PAYMENTS.]

*The Anoka county board may provide procedures for the payment of all or any class of county obligations by the county auditor without presentation to the board. The procedures shall include regular and frequent review of the auditor's action by the board.*"

Page 1, line 13, delete "*This act*" and insert "*Section 1*"

Page 1, line 15, after the period, insert "*Section 2 is in effect the day after the Anoka county board complies with Minnesota Statutes, section 645.021, subdivision 3.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 2 and insert "relating to local government; permitting the counties of Washington and Anoka"

Page 1, line 3, delete "board"

The motion prevailed. So the amendment was adopted.

S.F. No. 206, which the committee recommends to pass with the following amendments offered by Messrs. Belanger and Peterson, R.W.:

Mr. Belanger moved to amend S.F. No. 206 as follows:

Page 4, line 3, delete "*section*" and insert "*sections*"

Page 4, delete line 4 and insert "14.39; 14.40; 14.41; 14.42; and 14.43, as Minnesota Statutes, sections 3.841; 3.842; 3.843; 3.844; and 3.845."

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend S.F. No. 206 as follows:

Page 1, line 29, after the second "in" insert "each of"

The motion prevailed. So the amendment was adopted.

H.F. No. 363, which the committee reports progress, after the following motions:

Mr. Knaak moved to amend H.F. No. 363, as amended pursuant to Rule 49, adopted by the Senate February 23, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 173.)

Page 2, after line 15, insert:

"BE IT FURTHER RESOLVED by the Legislature of the State of Minnesota that it opposes the imposition of any additional federal taxes, fees or revenue enhancements and urges the President and Congress to reject any and all such proposals."

Amend the title as follows:

Page 1, line 5, before the period, insert "and to prevent the addition or increase of any federal taxes, fees or revenue enhancements"

The question was taken on the adoption of the amendment. The roll was called, and there were yeas 19 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McQuaid	Ramstad
Belanger	Decker	Knaak	Mehrkens	Renneke
Benson	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.R.	McGowan	Pariseau	

Those who voted in the negative were:

Adkins	Dahl	Gustafson	Merriam	Purfeerst
Beckman	Davis	Johnson, D.J.	Metzen	Reichgott
Berg	DeCramer	Kroening	Moe, R. D.	Samuelson
Berglin	Dicklich	Langseth	Morse	Schmitz
Bertram	Diessner	Lantry	Novak	Spear
Brandl	Frank	Lessard	Peterson, D.C.	Vickerman
Chmielewski	Frederickson, D.J.	Luther	Peterson, R. W.	Waldorf
Cohen	Freeman	Marty	Piper	

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

Mr. Knaak then moved to amend H.F. No. 363, as amended pursuant to Rule 49, adopted by the Senate February 23, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 173.)

Page 1, after line 25, insert:

"WHEREAS, the state of Minnesota can offer ample evidence to the federal government by citing the experience with our own motor vehicle excise tax of what happens when a tax that is supposed to be used for transportation is instead stolen for use in paying for new spending; and"

Page 2, line 4, delete "such a" and insert "unlike the motor vehicle excise tax on motor fuel"

Page 2, after line 15, insert:

“BE IT FURTHER RESOLVED by the Legislature of the State of Minnesota that it opposes the imposition of any additional state excise tax on motor fuel, particularly the Governor’s proposal to index the tax to allow it to rise without the Legislature having to vote on the increase, unless and until the entire amount raised by the motor vehicle excise tax is used for transportation purposes; and that the Legislature thus urges the President and Congress to assure adequate federal funding of highways by releasing all of the trust fund dollars to the states.”

Amend the title as follows:

Page 1, line 5, before the period, insert “and to assure adequate federal funding of highways”

Mr. Frederick moved to amend the second Knaak amendment to H.F. No. 363 as follows:

Page 1, line 21, before the semicolon, insert “and distributed fairly to the towns, cities, and counties, as well as to the state”

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 Frederick amendment to the second Knaak amendment.

The roll was called, and there were yeas 20 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Gustafson	McGowan	Pariseau
Belanger	Decker	Johnson, D.E.	McQuaid	Ramstad
Benson	Frederick	Knaak	Mehrkens	Storm
Bernhagen	Frederickson, D.R.	Laidig	Olson	Taylor

Those who voted in the negative were:

Adkins	Davis	Kroening	Moe, R.D.	Reichgott
Berg	DeCramer	Langseth	Morse	Samuelson
Berglin	Dicklich	Lantry	Novak	Schmitz
Bertram	Diessner	Lessard	Peterson, D.C.	Spear
Brandl	Frank	Luther	Peterson, R.W.	Vickerman
Chmielewski	Frederickson, D.J.	Marty	Piper	Waldorf
Cohen	Freeman	Merriam	Pogemiller	
Dahl	Johnson, D.J.	Metzen	Purfeerst	

The motion did not prevail. So the amendment to the second Knaak amendment was not adopted.

Mr. Johnson, D.J. moved to amend the second Knaak amendment to H.F. No. 363 as follows:

Page 1, line 9, after the second “tax” insert “which was imposed by a Republican controlled Legislature and Republican Governor,”

The question was taken on the adoption of the Johnson, D.J. amendment to the second Knaak amendment.

The roll was called, and there were yeas 37 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Gustafson	Moe, R.D.	Ramstad
Anderson	Davis	Johnson, D.E.	Morse	Reichgott
Beckman	DeCramer	Johnson, D.J.	Novak	Samuelson
Benson	Dicklich	Kroening	Olson	Schmitz
Berglin	Diessner	Langseth	Peterson, D.C.	Waldorf
Bertram	Frank	McGowan	Piper	
Chmielewski	Frederickson, D.J.	McQuaid	Pogemiller	
Cohen	Freeman	Metzen	Purfeerst	

Those who voted in the negative were:

Belanger	Decker	Merriam	Peterson, R.W.	Storm
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The motion prevailed. So the amendment to the second Knaak amendment was adopted.

H.F. No. 363 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.

Ms. Piper, Messrs. Brandl; Johnson, D.J.; Knutson and Benson introduced—

S.F. No. 802: A bill for an act relating to health; establishing a state board of physical therapy; providing licensing requirements for physical therapists; amending Minnesota Statutes 1988, sections 148.66; 148.67; 148.70; 148.705; 148.71; 148.72, subdivisions 1, 2, and 4; 148.73; 148.74; 148.75; 148.76; and 148.78; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Mr. Freeman introduced—

S.F. No. 803: A bill for an act relating to retirement; authorizing certain members of the public employees retirement association to change beneficiaries.

Referred to the Committee on Governmental Operations.

Messrs. Marty, Spear and Luther introduced—

S.F. No. 804: A bill for an act relating to landlord and tenant; authorizing emergency proceeding for loss of essential services; proposing coding for new law in Minnesota Statutes, chapter 566.

Referred to the Committee on Economic Development and Housing.

Messrs. Luther; Pogemiller; Merriam; Peterson, R.W. and Laidig introduced—

S.F. No. 805: A bill for an act relating to public defender system; updating law governing public defenders; repealing obsolete law governing public defenders; requiring a person requesting appointment of a public defender to submit a financial statement to the court; raising the limits for payment for expert services; amending Minnesota Statutes 1988, sections 611.17;

611.21; and 611.215, subdivision 2; repealing Minnesota Statutes 1988, sections 611.07; 611.071; and 611.25, subdivision 2.

Referred to the Committee on Judiciary.

Ms. Reichgott introduced—

S.F. No. 806: A bill for an act relating to retirement; volunteer firefighters; reducing the service requirement for eligibility for a service pension from ten years to five years; amending Minnesota Statutes 1988, section 424A.02, subdivisions 1, 2, 7, and 13.

Referred to the Committee on Governmental Operations.

Mr. Frank and Mrs. Lantry introduced—

S.F. No. 807: A bill for an act relating to traffic regulations; repealing provisions on nonrecording of certain speeding violations on driving records; repealing Minnesota Statutes 1988, sections 169.99, subdivision 1b; and 171.12, subdivision 6.

Referred to the Committee on Transportation.

Mr. Cohen introduced—

S.F. No. 808: A bill for an act relating to credit unions; authorizing the elimination or limitation of a director's liability in certain circumstances; amending Minnesota Statutes 1988, section 52.09, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Spear, Cohen, Ramstad, Stumpf and Ms. Reichgott introduced—

S.F. No. 809: A bill for an act relating to juveniles; including emotionally abused children among children in need of protection or services; amending Minnesota Statutes 1988, section 260.015, subdivision 2a, and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Knutson, Ms. Berglin, Mr. McGowan and Mrs. Pariseau introduced—

S.F. No. 810: A bill for an act relating to human services; allowing culturally specific vendors to assess the chemical dependency treatment needs of persons who do not fit the culturally specific population; amending Minnesota Statutes 1988, section 254B.03, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Laidig introduced—

S.F. No. 811: A bill for an act relating to local government; expanding the purpose for the use of certain dedicated cash payments under the municipal planning law; amending Minnesota Statutes 1988, section 462.358, subdivision 2b.

Referred to the Committee on Local and Urban Government.

Messrs. Mehrkens, Frederick, Knutson, Mrs. Pariseau and Mr. Morse introduced—

S.F. No. 812: A bill for an act relating to the environment; providing for compensation to local government units affected by unlawful wastewater discharge; amending Minnesota Statutes 1988, section 115.071, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Morse introduced—

S.F. No. 813: A bill for an act relating to retirement; police state aid; allowing counties and municipalities to use excess police state aid amounts for employee and retiree health insurance purposes; amending Minnesota Statutes 1988, section 69.031, subdivision 5.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Stumpf and Novak introduced—

S.F. No. 814: A bill for an act relating to taxation; exempting certain planting services from the sales tax; providing that sales of shrubbery, plants, sod, and trees through contracts for their installation are treated as contracts for improvement of real property; amending Minnesota Statutes 1988, section 297A.01, subdivisions 3 and 4.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Morse, Samuelson and Vickerman introduced—

S.F. No. 815: A bill for an act relating to human services; extending the date for phasing out community work experience program; amending Minnesota Statutes 1988, section 256.737, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Merriam, Frank and Dahl introduced—

S.F. No. 816: A bill for an act relating to economic development; 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.

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

S.F. No. 817: A bill for an act relating to game and fish; authorizing designation of trophy northern pike waters; repealing certain restrictions on winter fishing; amending Minnesota Statutes 1988, section 97C.011; repealing Minnesota Statutes 1988, section 97C.385.

Referred to the Committee on Environment and Natural Resources.

Mr. Morse, Ms. Reichgott, Messrs. Frank, Merriam and Renneke introduced—

S.F. No. 818: A bill for an act relating to retirement; public employees retirement association; excluding volunteer firefighters from membership; amending Minnesota Statutes 1988, section 353.01, subdivision 2b.



Referred to the Committee on Governmental Operations.

Messrs. Cohen and Metzen introduced—

S.F. No. 819: A bill for an act relating to food; changing the liability of donors of distressed food; amending Minnesota Statutes 1988, section 31.50, subdivisions 2 and 3.

Referred to the Committee on Commerce.

Mr. Anderson introduced—

S.F. No. 820: A bill for an act relating to sentencing; directing the sentencing guidelines commission to study sanctions imposed upon violent sexual offenders.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 821: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1988, chapters 226; 230; 233; 234; 235; 236; and 366, as amended.

Referred to the Committee on Judiciary.

Messrs. Benson, Storm, Larson, Decker and Mrs. Pariseau introduced—

S.F. No. 822: A bill for an act relating to taxation; income; providing a credit for long-term care policy premiums; appropriating money; amending Minnesota Statutes 1988, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Anderson, Decker, Larson and Mehrkens introduced—

S.F. No. 823: A bill for an act relating to retirement; allowing an optional annuity based upon statewide average salaries for members of the teachers retirement association; amending Minnesota Statutes 1988, section 354.44, subdivision 6.

Referred to the Committee on Governmental Operations.

Messrs. Dahl; Beckman; Moe, R.D. and Merriam introduced—

S.F. No. 824: A bill for an act relating to the environment; requiring labeling of CFC-processed materials and materials containing CFC's; restricting use of CFC's unless approved; requiring recovery of CFC's from refrigeration units; imposing a tax on raw CFC; providing penalties; amending Minnesota Statutes 1988, sections 116.70, subdivision 2; and 116.74; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 825: A bill for an act relating to retirement; public employees retirement association; adding employees of the Minnesota association of townships as members; amending Minnesota Statutes 1988, section 353.01, subdivision 2a.

Referred to the Committee on Governmental Operations.

Mrs. Lantry, Messrs. Novak, Mehrkens and Purfeerst introduced—

S.F. No. 826: A bill for an act relating to motor vehicles; requiring owner to retain certificate of title, rather than secured party; requiring buyer to deliver certificate of title to department of public safety; allowing commissioner of public safety to suspend or revoke certificate of title if owner does not surrender it and vehicle is involuntarily transferred; amending Minnesota Statutes 1988, sections 168A.02, subdivision 1; 168A.04, subdivision 2; 168A.05, subdivision 5; 168A.06; 168A.09; 168A.10; 168A.11, subdivision 1; 168A.12, subdivision 2; 168A.14; 168A.18; 168A.20, subdivision 1, and by adding subdivisions; 168A.23, subdivision 1; repealing Minnesota Statutes 1988, sections 168A.26; 168A.27; and 168A.28.

Referred to the Committee on Transportation.

Messrs. Cohen, Hughes, Ramstad, McGowan and Laidig introduced—

S.F. No. 827: A bill for an act relating to public safety; increasing membership on advisory council for the children's trust fund; amending Minnesota Statutes 1988, section 299A.23, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Freeman; Frederickson, D.J.; Frederickson, D.R.; Pehler and Dicklich introduced—

S.F. No. 828: A bill for an act relating to retirement; changing benefit provisions in the public employees retirement association police and fire plan; amending Minnesota Statutes 1988, sections 353.30, by adding a subdivision; 353.651, subdivision 3, and by adding a subdivision; 353.656, subdivisions 1 and 3; and 353.657, subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

Mr. Freeman introduced—

S.F. No. 829: A bill for an act relating to insurance; prohibiting insurers from maintaining subrogation actions against insureds; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce.

Messrs. Luther; Peterson, R.W.; Freeman; Ms. Reichgott and Mr. Solon introduced—

S.F. No. 830: A bill for an act relating to courts; raising the jurisdictional limit on claims heard in conciliation court; amending Minnesota Statutes 1988, sections 487.30, subdivision 1; 488A.12, subdivision 3; 488A.14, subdivision 6; 488A.29, subdivision 3; and 488A.31, subdivision 6.

Referred to the Committee on Judiciary.

Messrs. DeCramer, Bernhagen and Ms. Peterson, D.C. introduced—

S.F. No. 831: A bill for an act relating to counties; permitting county appropriations for the arts; amending Minnesota Statutes 1988, section 375.18, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Dicklich introduced—

S.F. No. 832: A bill for an act relating to employment; providing training and employment for low-income seniors; creating a hospitality host older worker tourism promotion program; prescribing duties for the commissioner of the department of jobs and training; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Employment.

Mr. Dicklich introduced—

S.F. No. 833: A bill for an act relating to independent school district No. 701; authorizing a permanent transfer from the pupil transportation fund reserved for bus purchases.

Referred to the Committee on Education.

Mrs. Lantry, Messrs. Solon, Purfeerst, Mrs. McQuaid and Mr. Cohen introduced—

S.F. No. 834: A bill for an act relating to consumer protection; requiring new motor vehicle damage disclosures; amending Minnesota Statutes 1988, sections 168A.04, subdivisions 1 and 4; and 168A.05, subdivisions 3 and 5; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Davis introduced—

S.F. No. 835: A bill for an act relating to mechanics' liens; allowing owner to request statement of actual charges; requiring subcontractor to make good faith estimate of charges; amending Minnesota Statutes 1988, section 514.011, subdivision 2.

Referred to the Committee on Judiciary.

Mses. Piper, Berglin, Messrs. Brandl, Benson and Mrs. Lantry introduced—

S.F. No. 836: A bill for an act relating to human services; providing requirements for licensing under the human services licensing act; amending Minnesota Statutes 1988, sections 144A.01, subdivision 5; 245.73, subdivisions 1 and 2; 245A.02, subdivisions 3, 9, 10, 14, and by adding a subdivision; 245A.03, subdivisions 1, 2, and 3; 245A.04, subdivisions 1, 3, 5, 6, 7, and by adding subdivisions; 245A.06, subdivisions 1, 5, and by adding a subdivision; 245A.07, subdivision 2; 245A.08, subdivision 5; 245A.12; 245A.13; 245A.14, subdivision 3; and 245A.16, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 837: A bill for an act relating to health; prohibiting abortions when states are given authority to regulate abortions by the United States Supreme Court, United States Congress, or by constitutional amendment; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 1988, sections 145.411; 145.412; 145.413; 145.414; 145.415; and 145.416.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 838: A bill for an act relating to motor vehicles; providing for special license plates for disabled persons; setting fee for duplicate personalized license plates; amending Minnesota Statutes 1988, sections 168.011, subdivision 4; 168.012, subdivisions 1 and 3a; 168.021; 168.12, subdivision 2a; 168.125, subdivision 2; 168.27, subdivision 2; 168.29; 169.01, subdivision 24a; 169.215; 169.345; and 169.346; repealing Minnesota Statutes 1988, section 168.12, subdivisions 3 and 4.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 839: A bill for an act relating to workers' compensation; providing coverage for preventive rabies treatment; amending Minnesota Statutes 1988, section 176.135, subdivision 1.

Referred to the Committee on Employment.

Ms. Piper, Mrs. Adkins, Ms. Berglin, Mrs. Brataas and Mr. Vickerman introduced—

S.F. No. 840: A bill for an act relating to human services; defining persons with related conditions to include persons with prader-willi syndrome; amending Minnesota Statutes 1988, section 252.27, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Solon, Samuelson, Decker, Mmes. Lantry and Brataas introduced—

S.F. No. 841: A bill for an act relating to human services; providing for direct payment of per diems to battered women's shelters; amending Minnesota Statutes 1988, section 256.01, subdivision 2, and by adding subdivisions; repealing Minnesota Statutes 1988, section 256D.05, subdivisions 3 and 3a.

Referred to the Committee on Health and Human Services.

Messrs. Frank and Diessner introduced—

S.F. No. 842: A bill for an act relating to unemployment compensation; adjusting the minimum tax; amending Minnesota Statutes 1988, section 268.06, subdivision 8.

Referred to the Committee on Employment.

Messrs. Kroening; Metzen; Frederickson, D.J.; Pehler and Renneke introduced—

S.F. No. 843: A bill for an act relating to retirement; local police and salaried firefighters' relief associations; authorizing annual postretirement payments based on investment performance; adjusting certain requirements governing the preparation of actuarial valuations and the calculation of municipal funding requirements; amending Minnesota Statutes 1988, sections 69.031, subdivision 5; 69.77, subdivision 2b; 356.216; and 423A.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 423A.

Referred to the Committee on Governmental Operations.

Messrs. Freeman, Chmielewski, Solon, Mrs. Lantry and Mr. Renneke introduced—

S.F. No. 844: A bill for an act relating to youth employment; directing the commissioner of jobs and training to provide transitional services linking basic skills and remedial education to job training; appropriating money; amending Minnesota Statutes 1988, section 268.31.

Referred to the Committee on Employment.

Mr. Luther introduced—

S.F. No. 845: A bill for an act relating to metropolitan government; providing a salary range and specifying responsibilities for the chair of the waste control commission; amending Minnesota Statutes 1988, sections 15A.081, subdivisions 1 and 7; and 473.141, subdivision 3.

Referred to the Committee on Local and Urban Government.

Mr. Frederickson, D.R. introduced—

S.F. No. 846: A bill for an act relating to state lands; authorizing conveyance of surplus state real property to Leo A. Hoffmann Center, Inc.

Referred to the Committee on Environment and Natural Resources.

Mr. Samuelson introduced—

S.F. No. 847: A bill for an act relating to transportation; deregulating persons who provide transportation service under contract to and with assistance from the department of transportation; amending Minnesota Statutes 1988, sections 221.022; 221.025; and 221.031, by adding a subdivision.

Referred to the Committee on Transportation.

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

S.F. No. 848: A bill for an act relating to cooperatives; recodifying and clarifying certain provisions on cooperative businesses; amending certain provisions of cooperative business law; requiring a registered officer or agent for cooperatives; authorizing cooperatives to provide greater approval proportions than provided in statute for certain cooperative actions; providing corporate existence of cooperative begins with filing of articles; authorizing loans to and fiduciary powers with members; specifying how

vacancies in unexpired directors' terms may be filled; authorizing the board to rescind membership for member violations; eliminating certain filings with county recorders; eliminating attorney general approval of articles of merger or consolidation; prescribing a fee for filing articles of consolidation; prescribing a procedure for dissolution of cooperatives; deeming certain organized cooperatives to be organized under and subject to this act; amending Minnesota Statutes 1988, sections 47.20, subdivision 2; 117.232, subdivision 1; 216B.027, subdivision 5; 237.075, subdivision 9; 273.124, subdivisions 3 and 6; 273.132, subdivision 5; 363.01, subdivision 32; and 500.20, subdivision 2a; proposing coding for new law as Minnesota Statutes, chapter 308A; repealing Minnesota Statutes 1988, sections 308.01 to 308.92.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Beckman; Frederickson, D.J.; Vickerman and Marty introduced—

S.F. No. 849: A bill for an act relating to crimes; controlled substances; imposing a mandatory minimum sentence for certain felonies committed with an illegal weapon; increasing the penalties for selling controlled substances to children and for selling or possessing controlled substances in a drug-free school zone; expanding the drug-free school zone to the area within 1,000 feet of a school; providing that public safety be considered by the sentencing guidelines commission in modifying the sentencing guidelines; lowering the threshold amounts of controlled substances required for forfeiture of vehicles and real property; requiring courts to order the forfeiture of property used in controlled substance offenses; amending Minnesota Statutes 1988, sections 244.09, subdivision 5; 609.11, by adding a subdivision; 609.5311, subdivision 3; 609.5314, subdivision 1; and 609.5315, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 152; repealing Minnesota Statutes 1988, section 152.15, subdivision 4a.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. introduced—

S.F. No. 850: A bill for an act relating to education; appropriating money for school bus safety programs.

Referred to the Committee on Education.

Messrs. Spear, Marty, Merriam, Pogemiller and Belanger introduced—

S.F. No. 851: A bill for an act relating to driving while intoxicated; making it a crime for certain repeat offenders to refuse to submit to chemical testing under the implied consent law; imposing penalties; amending Minnesota Statutes 1988, sections 169.121, subdivisions 1, 1a, 3, and 3b; and 169.123, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Langseth; Moe, R.D and Purfeerst introduced—

S.F. No. 852: A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account

to improve and maintain town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; increasing dealer's motor vehicle tax; eliminating use of dealer plates by other family members; providing for annual adjustment of gasoline tax rate; reducing shrinkage allowance; transferring an additional ten percent of motor vehicle excise tax receipts for highways and transit; authorizing sale of state transportation bonds; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 168.013, subdivision 1a; 168.27, subdivision 16; 296.02, subdivision 1b, and by adding a subdivision; 296.14, subdivision 1; and 297B.09, subdivision 1; Laws 1979, chapter 280, sections 1 and 2, as amended.

Referred to the Committee on Transportation.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 6, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTEENTH DAY

St. Paul, Minnesota, Monday, March 6, 1989

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

Prayer was offered by the Chaplain, Rev. William K. Mulligan.

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

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

Messrs. Morse and Stumpf were excused from the Session of today. Mr. Johnson, D.J. was excused from the Session of today from 2:00 to 2:30 p.m. Mr. Peterson, R.W. was excused from the Session of today from 2:00 to 2:25 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 24, 1989

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:



Charlotte Anderson, 3913 Oakland Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

(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 Senate Files, herewith returned: S.F. Nos. 32 and 215.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 2, 1989

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. 574: A bill for an act relating to natural resources; providing for a deficiency in the appropriation for emergency deer feeding; appropriating money.

Senate File No. 574 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 2, 1989

### CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 574 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 574 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 52 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	McGowan	Renneke
Anderson	Davis	Johnson, D.E.	McQuaid	Samuelson
Beckman	Decker	Knaak	Mehrkens	Schmitz
Belanger	DeCramer	Kroening	Merriam	Spear
Benson	Dicklich	Laidig	Metzen	Storm
Berg	Diessner	Langseth	Moe, D.M.	Taylor
Berglin	Frank	Lantry	Olson	Vickerman
Bernhagen	Frederick	Larson	Pehler	Waldorf
Bertram	Frederickson, D.J.	Lessard	Piper	
Brandl	Frederickson, D.R.	Luther	Pogemiller	
Chmielewski	Freeman	Marty	Ramstad	

Messrs. Gustafson and Purfeerst 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 House Files, herewith transmitted: H.F. Nos. 43, 85, 154, 223, 242, 387, 323, 426, 502, 527 and 545.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 2, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 43: A bill for an act relating to state lands; authorizing St. Louis county to sell certain tax-forfeited lands bordering public waters.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 88, now on General Orders.

H.F. No. 85: A bill for an act relating to public safety; regulating boiler operation and inspections; amending Minnesota Statutes 1988, sections 183.42; and 183.45.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 103, now on General Orders.

H.F. No. 154: A bill for an act relating to crimes; extending the limitation period for charging sexual criminal conduct offenses if the victim is a child; amending Minnesota Statutes 1988, section 628.26.

Referred to the Committee on Judiciary.

H.F. No. 223: A bill for an act relating to consumer protection; prohibiting the sale of tobacco from multiproduct vending machines; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

H.F. No. 242: A bill for an act relating to transportation; providing for strength, width, clearance, and safety standards for bridges; amending Minnesota Statutes 1988, section 165.03, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 100, now on General Orders.

H.F. No. 387: A bill for an act relating to traffic regulations; exempting state patrol troopers from requirement of security barrier in marked state patrol vehicles; amending Minnesota Statutes 1988, section 169.98, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 401, now on General Orders.

H.F. No. 323: A bill for an act relating to commerce; regulating motor

vehicle sales and distribution; determining reasonable compensation for warranty services performed by dealers; amending Minnesota Statutes 1988, section 80E.04, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 495, now on General Orders.

H.F. No. 426: A bill for an act relating to the city of Mankato; authorizing location of certain polling places more than 3,000 feet outside precinct boundaries.

Referred to the Committee on Elections and Ethics.

H.F. No. 502: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land bordering public water in Washington county.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 527: A bill for an act relating to state parks; requiring collection facilities for recycling containers in state parks; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 545: A bill for an act relating to natural resources; providing for the disposal of certain low-grade state-owned iron-bearing materials for construction or maintenance purposes; amending Minnesota Statutes 1988, section 93.41, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

## REPORTS OF COMMITTEES

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

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

S.F. No. 87: A bill for an act relating to agriculture; providing a linked deposit program to allow eligible agricultural businesses and small businesses to obtain operating loans at reduced interest rates; requiring linked deposit agreements for eligible lending institutions to receive linked deposits; authorizing the state investment board to purchase investments from eligible lending institutions; imposing a penalty; 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. [PURPOSE.]

*The purpose of this act is to provide for the state to purchase certificates of deposit from lending institutions to allow the lenders to make loans to eligible small businesses and agricultural businesses that the lender would not otherwise make loans to under normal lending practices.*

Sec. 2. [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 9.*

*Subd. 2. [AGRICULTURE.] "Agriculture" means the production of agricultural products, including livestock or livestock products, poultry or poultry products, milk or milk products, or fruit or other horticultural products. Agriculture does not include the processing, refining, or packaging of the agricultural products.*

*Subd. 3. [ELIGIBLE AGRICULTURAL BUSINESS.] "Eligible agricultural business" means a person, family farm, family farm corporation, or authorized farm corporation as defined in Minnesota Statutes, section 500.24, subdivision 2, engaged in agriculture that:*

- (1) is a resident of or incorporated in the state;*
- (2) farms exclusively in the state;*
- (3) derives 50 percent of its gross income from agriculture;*
- (4) can demonstrate cash flow difficulties;*
- (5) is accepted by the lender for participation in the program; and*
- (6) has a debt to asset ratio of 0.5 or greater.*

*Subd. 4. [ELIGIBLE LENDING INSTITUTION.] "Eligible lending institution" means a bank, bank for cooperatives, savings and loan association, agricultural credit association, production credit association, or credit union chartered by the state that has entered a linked deposit agreement with the rural finance authority as a lending institution to receive linked deposits.*

*Subd. 5. [ELIGIBLE SMALL BUSINESS.] "Eligible small business" means a business entity organized for profit, including an individual, partnership, corporation, joint venture, association, or cooperative that is not a subsidiary or franchise of a business other than another small business, and:*

- (1) has 20 or fewer full-time employees;*
- (2) in the preceding fiscal year has not had more than the equivalent of \$3,500,000 in annual gross revenues;*
- (3) if the business is a technical or professional service, has not had more than the equivalent of \$2,500,000 in annual gross revenues in the preceding fiscal year;*
- (4) is located in an area outside of a municipality or a small business located within a municipality with a population of less than 20,000;*
- (5) is located in or incorporated in the state, and 50 percent or more of its employees are state residents;*
- (6) can demonstrate cash flow difficulties;*
- (7) is accepted by the lender for participation in the program; or*
- (8) has a debt to asset ratio of 0.5 or greater.*

*Subd. 6. [LINKED DEPOSIT.] "Linked deposit" means a certificate of deposit or other investment purchased by the state board of investment from an eligible lending institution under section 4, subdivision 2.*

*Subd. 7. [MUNICIPALITY.] "Municipality" means a statutory or home rule charter city.*

*Subd. 8. [OPERATING LOAN.] "Operating loan" means a loan that*

*does not cover capital improvements for agricultural production or for small business operating expenses including inventory acquisition and salaries. The loan must mature by two years after the loan is made.*

### Sec. 3. [APPLICATIONS AND ELIGIBILITY.]

*Subdivision 1. [INITIAL REVIEW.] An eligible lending institution shall accept and review applications for loans from eligible agricultural businesses and eligible small businesses. A loan may not exceed \$100,000. The eligibility decision must be based on financial statements prepared within the most recent six months, a cash flow analysis, and a net worth not exceeding \$ . . . . .*

*Subd. 2. [CERTIFICATION OF OPERATING USE.] An eligible agricultural business or eligible small business shall certify on its loan application that the reduced rate loan will be used exclusively for an agricultural or small business operating loan purpose.*

*Subd. 3. [PENALTY.] A person who knowingly makes a false certification under this subdivision is guilty of a misdemeanor.*

### Sec. 4. [LINKED DEPOSIT.]

*Subdivision 1. [AGREEMENT BETWEEN LENDER AND RURAL FINANCE AUTHORITY.] (a) An eligible lending institution may enter into a linked deposit agreement with the rural finance authority. The agreement must require that:*

*(1) the lending institution shall lend all linked deposits received by the lending institution at an interest rate not more than one percent above the average yield to maturity of the most recently auctioned one-year treasury bill as quoted by three recognized National Association of Securities Dealers member-broker dealers or a higher rate on a per-loan basis if approved by the rural finance authority;*

*(2) an eligible agricultural business or eligible small business may receive only one linked deposit loan; and*

*(3) the lender will certify that the linked deposit loan would not otherwise be made under normal lending practices.*

*(b) The agreement may specify when the lending institution is to lend funds upon the placement of a linked deposit.*

*(c) The agreement must specify the period of time covered by the linked deposit, not to exceed two years.*

*(d) The agreement must specify the amount approved for a linked deposit.*

*Subd. 2. [PURCHASE OF CERTIFICATES OF DEPOSIT.] (a) To receive a linked deposit, the lending institution shall prepare a schedule and certify eligibility of the linked deposit loans and submit it to the rural finance authority. The rural finance authority shall review the loan schedule and may approve part or all of the loan package for a linked deposit. The rural finance authority shall notify the state board of investment of the amount approved for each eligible lending institution. The state board of investment may approve and purchase a certificate of deposit for up to two years from an eligible lending institution at a prescribed interest rate with interest payable to the state on a semiannual basis.*

*(b) The prescribed interest rate in this subdivision may be up to three percent below the average yield to maturity of the most recently auctioned one-year treasury bill as quoted by three recognized National Association of Securities Dealers member-broker dealers.*

*(c) The rural finance authority may not have more than one-half of the funds available for linked deposits being used for small business loans.*

**Sec. 5. [IMPLEMENTATION AND COMPLIANCE.]**

*The rural finance authority shall implement the linked deposit program and monitor compliance of eligible lending institutions, eligible agricultural businesses, and eligible small businesses, including making orders and emergency and permanent rules. The rural finance authority must annually review a random sample of program participants to ensure that eligibility criteria are being observed. The rural finance authority must collect a minimum set of information about participants to assess the program's success.*

**Sec. 6. [STATE'S LIABILITY.]**

*The state and the rural finance authority are not liable to any eligible lending institution for payment of the principal or interest on the loan to an eligible agricultural business or eligible small business. A delay in payments or default on the part of an eligible agricultural business or eligible small business does not affect the linked deposit agreement between the eligible lending institution and the rural finance authority.*

**Sec. 7. [INVESTMENT AUTHORITY.]**

*The state board of investment may purchase certificates of deposit or other investments from eligible lending institutions for funds invested under Minnesota Statutes, section 11A.25, if:*

*(1) not more than \$200,000,000 is invested in linked deposits under sections 1 to 8 at any time;*

*(2) the maximum amount received in linked deposits by an eligible lending institution does not exceed \$1,000,000 or ten percent of the agricultural loan volume of the lending institution in the previous calendar year, whichever is greater; and*

*(3) the eligible lending institution meets the requirements of Minnesota Statutes, section 9.031, subdivisions 2 to 5.*

**Sec. 8. [REPORTING; AUDIT.]**

*(a) A participating lending institution shall submit quarterly reports to the rural finance authority during participation in the linked deposit program stating:*

*(1) the number and amount of farm operating loans and small business loans made by the lending institution in the fiscal year preceding the year the lending institution begins participating in the program;*

*(2) the number, amount, and term of farm operating loans the lending institution has made each quarter of each fiscal year since the commencement of its participation in the program; and*

*(3) the number, amount, and term of small business loans the lending institution has made in each quarter of each fiscal year to eligible small businesses.*

*(b) The accuracy of the quarterly reports submitted by a participating*

*lending institution must be verified by examination of the lending institution's records when the lending institution is examined.*

*(c) A lending institution that violates or does not comply with a provision of sections 1 to 8 is subject to penalties under Minnesota Statutes, chapter 47, in the same manner as if sections 1 to 8 were provisions of chapter 47.*

*(d) The commissioner of commerce shall request federal authorities with jurisdiction over eligible lenders to review eligible lenders for compliance with this act.*

**Sec. 9. [FUNDS AVAILABLE.]**

*The commissioner of finance shall specify \$200,000,000 that will not be needed for expenditures. This amount is available to the rural finance authority to approve for use for the linked deposit program and for the state board of investment to purchase certificates of deposit.*

**Sec. 10. [APPROPRIATION.]**

*Subdivision 1. [STATE INVESTMENT BOARD.] \$8,000,000 is appropriated from the general fund to the state board of investment for the linked deposit program, to be available until December 31, 1991. The appropriation must be transferred and credited to funds to replace investment earnings lost by those funds because their assets were invested under the linked deposit program.*

*Subd. 2. [RURAL FINANCE AUTHORITY.] \$ . . . . . is appropriated from the general fund to the rural finance authority for administration of the linked deposit program to be available until December 31, 1991.*

**Sec. 11. [REPEALER.]**

*Sections 1 to 9 are repealed effective December 31, 1991.*

**Sec. 12. [EFFECTIVE DATE.]**

*Sections 1 to 11 are 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. 263: A bill for an act relating to environment; eliminating the PCB exemption program; repealing Minnesota Statutes 1988, sections 116.36; and 116.37.

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. 323: A bill for an act relating to natural resources; establishing a prescribed burn program; requiring permits for prescribed burns; providing assistance for prescribed burns; establishing the position of prescribed burn coordinator; appropriating money; amending Minnesota Statutes 1988, section 84.97.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 15, after "the" insert "*forest and*" and after "prairie" insert "*areas*"

Page 1, line 23, delete everything before "*must*" and insert "*desiring financial and technical assistance. The application for assistance*"

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. 192: A bill for an act relating to natural resources; increasing certain limits on security in lieu of bond for forestry development projects; amending Minnesota Statutes 1988, section 574.264, subdivision 1.

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

Page 1, line 9, strike "For a state"

Page 1, strike line 10

Page 1, line 11, strike "contract is not more than" and delete "\$100,000" and strike the 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. 299: 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 1988, 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 1, line 24, delete everything after the period

Page 1, delete lines 25 to 28

Page 2, delete lines 1 to 4

Page 3, line 12, delete "*violation of*" and insert "*a manner prohibited by*"

Page 3, after line 21, insert:

"(b) An order for a civil penalty shall be docketed as a civil judgment by the court administrator."

Page 3, line 22, delete "(b)" and insert "(c)"

Page 4, after line 7, insert:

"(c) The commissioner shall report annually to the legislature the amount



*collected under sections 2 and 3 and the manner in which the collections were spent."*

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. 499: A bill for an act relating to transportation; specifying that state airports fund money may be used as state's match of costs of the federal essential air services program; establishing registration classification for recreational aircraft; amending Minnesota Statutes 1988, sections 360.305, subdivision 2; and 360.55, 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. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 159: A bill for an act relating to highways; providing for the apportionment of five percent of the net highway users tax distribution fund; providing for the distribution of the county turnback account; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; and 162.081, subdivision 1.

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. 459: A bill for an act relating to local government; granting certain water and sewer powers to towns; amending Minnesota Statutes 1988, sections 444.075, subdivision 1; 444.16; 444.17; 444.18; 444.19; and 444.20.

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. 267 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.
267	191				

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. 214 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.
214	62				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 214 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 214 and insert the language after the enacting clause of S.F. No. 62, the first engrossment; further, delete the title of H.F. No. 214 and insert the title of S.F. No. 62, the first engrossment.

And when so amended H.F. No. 214 will be identical to S.F. No. 62, and further recommends that H.F. No. 214 be given its second reading and substituted for S.F. No. 62, 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. 410 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.
410	438				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 410 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 410 and insert the language after the enacting clause of S.F. No. 438, the first engrossment; further, delete the title of H.F. No. 410 and insert the title of S.F. No. 438, the first engrossment.

And when so amended H.F. No. 410 will be identical to S.F. No. 438, and further recommends that H.F. No. 410 be given its second reading and substituted for S.F. No. 438, 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. 106 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:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
106	96				

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. Lessard from the Committee on Environment and Natural Resources, to which was referred the following appointment as reported in the Journal for January 9, 1989:

**MINNESOTA POLLUTION CONTROL AGENCY**

Milton Radjenovich

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

Mr. Luther moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 263, 192 and 299 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 267, 214, 410 and 106 were read the second time.

**MOTIONS AND RESOLUTIONS**

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

Mr. Bertram moved that the name of Mr. Lessard be added as a co-author to S.F. No. 192. The motion prevailed.

Ms. Reichgott moved that her name be stricken as chief author and the name of Mr. Cohen be added as chief author to S.F. No. 484. The motion prevailed.

Mr. Frederickson, D.J. moved that his name be stricken as a co-author to S.F. No. 484. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Lessard be added as a co-author to S.F. No. 738. The motion prevailed.

Mr. Knaak moved that the name of Mr. Marty be added as a co-author to S.F. No. 750. The motion prevailed.

Mr. Frank moved that the name of Mr. Merriam be added as a co-author to S.F. No. 807. The motion prevailed.

Mr. Merriam moved that the name of Mr. Freeman be added as a co-author to S.F. No. 817. The motion prevailed.

Mr. Cohen moved that the name of Mr. Freeman be added as a co-author

to S.F. No. 819. The motion prevailed.

Mr. Anderson moved that the name of Mr. Frederickson, D.J. be added as a co-author to S.F. No. 823. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Renneke be added as a co-author to S.F. No. 831. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Davis be added as a co-author to S.F. No. 848. The motion prevailed.

Messrs. Laidig and Diessner introduced—

Senate Resolution No. 55: A Senate resolution congratulating the Stillwater High School Girls Slalom Ski Team for winning the 1989 State High School Girls Slalom Ski Meet Championship.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 56: A Senate resolution commending Rockville Cub Scout Pack 50 for their activities throughout the year.

Referred to the Committee on Rules and Administration.

Mr. Laidig introduced—

Senate Resolution No. 57: A Senate resolution congratulating the Gymnastics Team from Mahtomedi High School for winning the 1989 Class A State High School Gymnastics Championship.

Referred to the Committee on Rules and Administration.

Mr. Laidig introduced—

Senate Resolution No. 58: A Senate resolution congratulating Marta Wilson, of Stillwater, Minnesota, for winning the women's Kortelopet Race.

Referred to the Committee on Rules and Administration.

Mr. Bernhagen introduced—

Senate Resolution No. 59: A Senate resolution congratulating the Hutchinson High School Bicentennial Team for winning the state championship in the National Bicentennial Competition on the Constitution and Bill of Rights.

Referred to the Committee on Rules and Administration.

Mr. Frederickson, D.R. introduced—

Senate Resolution No. 60: A Senate resolution congratulating St. Peter High School for winning the Vikings Most Valuable Players Contest.

Referred to the Committee on Rules and Administration.

Mr. Dahl moved that S.F. No. 87 be withdrawn from the Committee on Finance and re-referred to the Committee on Governmental Operations. The motion prevailed.

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

Senate Resolution No. 61: A Senate resolution honoring North Dakota on the occasion of its Centennial.

WHEREAS, magnificent bison once roamed the fruited plains of North Dakota; and

WHEREAS, North Dakota is known as the Peace Garden state, promoting harmony among states and nations; and

WHEREAS, North Dakota and Minnesota share the beautiful and powerful Red River that nourishes the rich soil on which its people have lived for decades; and

WHEREAS, North Dakota's motto, "Liberty in union, now and forever, one and inseparable," symbolizes both freedom and the spirit of cooperation enjoyed by its people and its government; and

WHEREAS, North Dakota's political roots are rich in populism and it can take great pride in its progressive government; and

WHEREAS, the North Dakota land east of the Missouri River was a part of Minnesota Territory from 1849 to 1858; and

WHEREAS, the people of Minnesota and North Dakota have long shared a bond of friendship and a history of cultural, social, and economic alliances; and

WHEREAS, the great Peace Garden state celebrates its 100th anniversary of statehood in 1989; and

WHEREAS, the state of Minnesota shares in North Dakota's celebration of this momentous milestone in state history; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it honors the state of North Dakota by sending a delegation to the North Dakota capitol of Bismarck on March 7, 1989, to personally express its centennial congratulations.

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 governor of North Dakota.

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. 62: A Senate resolution adopting permanent rules of the Senate.

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

The Permanent Rules of the Senate for the 76th Legislature shall read as follows:

## **PERMANENT RULES OF THE SENATE**

### **PARLIAMENTARY REFERENCE**

1. The rules of parliamentary practice comprised in Mason's Manual of Legislative Procedure shall govern the Senate in all cases in which they are applicable, and in which they are not inconsistent with these rules and orders of the Senate and the joint rules and orders of the Senate and House of Representatives.

### **HOUR OF CONVENING**

2. The Senate shall convene on days of meeting at 2 o'clock p.m. unless the Senate directs otherwise.

### **PRESIDENT**

3. The President shall take the chair at the hour to which the Senate adjourned. He shall immediately call the members to order and, on the appearance of a quorum, shall proceed with the regular order of business. He shall preserve order and decorum, may speak on points of order in preference to members, and shall also decide all questions of order, subject to an appeal to the Senate by a member. An appeal is decided by a majority vote of those present and voting. Upon an appeal from the decision of the President, the question is, "Shall the decision of the President be the judgment of the Senate?"

### **SUBSTITUTES FOR THE PRESIDENT**

4. The President may call a member to preside. In the absence of the President the Chair of the Committee on Rules and Administration, or his designee, shall preside over the Senate. In the absence of the President and the Chair, a member may be selected by the Senate to perform the duties of the President. Substitutions do not extend beyond adjournment.

### **ABSENCE OF MEMBERS**

5. No member or officer of the Senate shall be absent from a session of the Senate unless excused by the Senate.

### **DECORUM DURING BUSINESS**

6. When the President puts a question, or addresses the Senate, no one shall walk out of or cross the Chamber. When a member is speaking, no one shall pass between the member speaking and the President. No member, or other person, shall proceed to or remain by the Secretary's desk while the yeas and nays are being called or counted. No member may speak without using a microphone.

### ORDER OF BUSINESS

7. The order of business is as follows:
  1. Petitions, letters, remonstrances.
  2. Executive and official communications.
  3. Messages from the House of Representatives.
  4. First reading of House bills.
  5. Reports of committees.
    - (a) From standing committees.
    - (b) From select committees.
  6. Second reading of Senate bills.
  7. Second reading of House bills.
  8. Motions and Resolutions.
  9. Calendar.
  10. Consent Calendar.
  11. General Orders.
  12. Introduction and first reading of Senate bills.
  13. Announcements of Senate interest.

Under the order of business of Motions and Resolutions the Senate may by a majority vote of the whole Senate temporarily revert or proceed to any other order of business.

### CALENDAR

8. The Secretary shall make a Calendar of all bills, resolutions and other matters coming before the Senate for final action. He shall place them on the Calendar in the order in which they have been acted upon in Committee of the Whole. The Calendar shall be printed and placed upon the members' desks at least one calendar day before the matters on it are considered.

### CONSENT CALENDAR

9. If a committee determines that a bill it recommends to pass is of a routine nature or otherwise of a nature which likely will not be opposed, it may in its report recommend that the bill be placed on the Consent Calendar. If the report is adopted, the bill shall be printed and placed on the Consent Calendar after its second reading. On the question of adoption of the report the question of accepting the recommendation that the bill be placed on the Consent Calendar may be divided from the question of adopting the report in other respects.

A majority of the whole Senate, or the Chair of the Committee on Rules and Administration, may order a bill on General Orders to be placed on the Consent Calendar.

The Consent Calendar consists of bills placed on it. Senate bills shall be positioned ahead of House bills. The Consent Calendar shall be printed and placed on the members' desks at least one calendar day before the matters on it are considered.

If a member objects to consideration of a bill on the Consent Calendar at any time during its consideration in the Senate before the question on

final passage is put, and that objection is supported by at least two other members, the bill shall be referred to the Committee of the Whole, and shall be placed at the bottom of General Orders subject to Rule 11, except that it need not lie over one calendar day before consideration in the Committee of the Whole.

### SPECIAL ORDER

10. The Chair of the Committee on Rules and Administration may designate a special order for a bill that has been given its second reading.

A special order shall provide that the bill be considered immediately, at a time certain, or after specific other business is completed.

During consideration of a special order, Rule 20 is suspended. As nearly as applicable, debate on the bill and all proceedings including amendments and substitutions shall be that of the Committee of the Whole.

On any question a member may call for the yeas and nays which shall be entered in the Journal.

Unless it is otherwise disposed of, after consideration a bill on Special Orders of the Senate shall immediately proceed to its third reading and final passage.

### GENERAL ORDERS

11. The Secretary shall make a list of all bills, resolutions, reports of committees, and other proceedings of the Senate, which are referred to the Committee of the Whole, and which are not made the order of the day, for a particular day, and number them. The lists are called the "General Orders". They shall be taken up in the order in which they are numbered unless otherwise ordered by a majority of the committee.

General Orders, together with all bills included on it required to be printed under the rules or orders of the Senate, shall be printed and placed upon the members' desks at least one calendar day before being considered in Committee of the Whole.

### MOTIONS

12. When a motion is made it shall be stated by the President. If it is in writing it shall be handed to the Secretary and read to the members.

13. A motion or amendment shall be written if the President or a member requests. In that case it must be signed by *identify* the member or committee offering it.

14. After a motion is stated by the President, or read by the Secretary, it is in possession of the Senate, but may be withdrawn by the author at any time before decision or amendment.

### PRECEDENCE OF MOTIONS

15. When a question is under debate no motion shall be received, except:

1. To adjourn.
2. To recess.
3. To reconsider.



4. To lay on the table.
5. For the previous question.

(Motions numbered 1, 2, 4 and 5 above shall be decided without debate.)

6. To refer.
7. To postpone to a day certain.
8. To amend.
9. To postpone indefinitely.

These several motions have precedence in the foregoing order; but when a motion for the previous question has been seconded, or the main question ordered, a motion to lay on the table is not in order.

A motion to postpone to a day certain, to refer, to postpone indefinitely, or to amend, having been decided, shall not again be put on the same day, nor at the same stage of the bill or proposition.

### **MOTION TO ADJOURN**

16. A motion to adjourn is always in order, and also a motion to adjourn to a time certain. The latter motion is debatable solely as to the time. When either motion is rejected it shall not be renewed until further business has been transacted.

### **AMENDMENTS TO RULES AND SUSPENSION OF RULES**

17. Every proposition to amend a rule of the Senate shall be referred to the Committee on Rules and Administration. The proposition shall not be acted upon until the report of the committee is received by the Senate. A rule shall not be suspended except by at least two-thirds vote of the whole Senate. A motion to suspend the rules for the purpose of advancing a bill shall be made only under the order of business, "Motions and Resolutions".

### **ORDER IN DEBATE**

18. When a member is about to speak in debate, or deliver a matter to the Senate, the member shall rise and respectfully address "Mr. President". The member shall not proceed to speak further until recognized by the President. The member shall speak only to the question under debate and avoid personality. In discussing a resolution, each member is limited to ten minutes.

19. When a member is called to order, he shall be silent until it is determined whether or not he is in order. If a member is called to order for words spoken in debate, the words excepted to shall be taken down in writing by the Secretary immediately.

20. No member shall speak more than twice on the same question on the same day without leave of the Senate.

### **COMMITTEES NOT TO BE ABSENT**

21. Committees shall not be absent from the Senate without permission of the Senate. The names of the members excused shall be printed in the Journal.

### **MEMBERS TO VOTE UNLESS EXCUSED**

22. Every member who is in the Senate Chamber during a roll call shall vote upon the request of another member unless, for special reasons, excused by the Senate.

A motion by a member to be excused from voting shall be made before the question is put. A member wishing to be excused from voting may make a brief statement of the reason for making the request and the question on the motion shall be taken without further debate.

When members have had an opportunity to vote and fail to do so, a majority of all the members of the Senate may, by motion, direct the President to close the roll. The vote on a motion to close the roll shall be taken without debate and no member is required to vote on the motion.

### **CALL OF THE SENATE**

23. A member may impose a call of the Senate requiring the attendance of all members before any further proceedings occur except a motion to adjourn. Upon the imposition of a call, a record of those present shall be obtained upon the request of any member, and the Sergeant at Arms instructed to bring in the absent members. When the Senate has been placed under call, a member may demand that the doors be closed and no member permitted to leave the Chamber until the matter or question, if any, under consideration at the time of the call is disposed of, or until the call is lifted by a majority vote of all the members of the Senate, or until the Senate adjourns. A majority vote of all the members of the Senate may excuse from attendance members not answering the call.

A call cannot be made after voting has commenced.

### **QUESTIONS—HOW STATED AND DECIDED**

24. Questions shall be distinctly put. The President shall declare all votes but if a member rises to question a vote, the President shall order a division.

### **ONLY MEMBERS PRESENT TO VOTE**

25. Upon a division and count of the Senate on a question, only members present in the Senate Chamber shall be counted. No member may vote on a question except at the member's own seat in the Chamber.

### **ANY MEMBER MAY DEMAND YEAS AND NAYS**

26. At any time prior to the start of voting on a question, a member may call for the yeas and nays which shall be entered in the Journal. A call for the yeas and nays cannot be interrupted except as provided in Rule 22.

### **AUTHORIZED ELECTRICAL VOTING DEVICE**

27. Unless otherwise ordered, a vote, except upon elections and upon the overriding of a governor's veto, may be taken by means of the electrical voting system which is under the control of the President.

### **CERTIFICATE FOR MONEY**

28. No certificate authorizing the payment of money appropriated by the Legislature shall be issued by the Secretary by virtue of a motion or resolution, unless the motion or resolution is voted for by a majority of all members of the Senate upon a call of the yeas and nays.

### **THE PREVIOUS QUESTION**

29. Unless the motion for the previous question is made specifically applicable to a subsidiary motion, the previous question shall be in this form:

“Shall the main question now be put?” It shall only be admitted when demanded by a majority of the members present, and its effect is to put an end to all debate, and bring the Senate to a direct vote upon amendments reported by a committee, if any, then upon all pending amendments in their order and then upon the main question.

On a motion for the previous question a call of the Senate is in order before the President submits the question to the Senate.

On a previous question there is no debate. All incidental questions of order, arising after a motion is made for the previous question, and pending the motion, shall be decided, whether on appeal or otherwise, without debate.

### **DIVISION OF QUESTION**

30. A member may call for a division of the question when the question will admit of it. A motion to strike out and insert is indivisible. A motion to strike out being lost does not preclude an amendment nor a motion to strike out and insert.

### **RECONSIDERATION**

31. When a motion or question has been once put and carried in the affirmative or negative, it is in order for a member who voted with the prevailing side to move for reconsideration on the same day on which the vote was taken or within the next two calendar days or, if later, the first day the Senate meets after the vote was taken. The motion takes precedence over all other questions except a motion to adjourn or recess. When a motion to adjourn is adopted prior to the disposition of the motion for reconsideration, a motion for reconsideration shall lie over until the next succeeding day the Senate meets except as provided in this rule. When notice of intention to move reconsideration of the final action of the Senate on a question is given by a member, the Secretary shall retain the subject of the notice until after the expiration of the time during which the motion can be made.

During the six calendar days before the first Tuesday following the third Saturday in May of any year a notice of intention to move for reconsideration is not in order, but a motion to reconsider may be made and have priority over all other business except a motion to adjourn. A motion for reconsideration having been once voted on shall not be put again nor reconsidered.

### INTRODUCTION OF BILLS

32. Bills, memorials, concurrent or joint resolutions may be introduced by a member or by order of the Senate on a report of a committee. An original and three copies are required for introduction. The number of authors shall not exceed five. A member or a committee desiring to introduce a bill, memorial or concurrent or joint resolution shall place it in the hands of the Secretary, and the Secretary shall promptly deliver all the bills, memorials or concurrent or joint resolutions to the President who shall present them to the Senate.

The name of the author or authors shall be prefixed to each bill, memorial or resolution and the name of a committee introducing a bill, memorial or resolution shall be endorsed on it.

### RECESS BILL INTRODUCTIONS

33. During the period between the last day of the session in any odd-numbered year and the first day of the session in the following year, a bill filed with the Secretary for introduction shall be given a file number and may be unofficially referred by the President, with the approval of the Chair of the Committee on Rules and Administration, to an appropriate standing committee of the Senate. All bills filed for introduction during this period shall be presented to the Senate when it reconvenes and shall be referred to the standing committees previously indicated by the President, subject to objection under Rule 35.

### REPORTING OF BILLS

34. Every bill, memorial, order, resolution or vote requiring the approval of the Governor shall be reported to the Senate on three different days previous to its passage. The first report, called the first reading, is made when it has been received for introduction; the second report, called the second reading, is made when it has been considered by all the necessary standing committees and is ready for debate; the third report, called the third reading, is made when it is ready for final passage.

### REFERRING OF BILLS

35. All bills shall be referred by the President without motion to the proper standing committee unless otherwise referred by the Senate. A bill introduced by a committee need not be referred to a standing committee unless a question arises but rather shall lie over one day before being given its second reading. When a question arises concerning the proper reference of a bill during the order of business of first reading on the day of introduction or at the time of report on it by a standing committee to which the bill was previously referred, the bill shall be referred without debate to the Committee on Rules and Administration to report the proper reference, and upon adoption of the report of the Committee on Rules and Administration, it shall be referred accordingly.

All bills appropriating money, or obligating the state to pay or expend money, or establishing a policy which to be effective will require expenditure of money, when referred to and reported by any other than the Committee on Finance, shall, before passage, be referred to the Committee on Finance.

*All bills delegating emergency rulemaking to a department or agency of state government and all bills exempting a department or agency of state government from rulemaking, when referred to and reported by any other than the Committee on Governmental Operations, shall, before passage, be referred to the Committee on Governmental Operations.*

36. No bill or resolution shall be referred to committee or amended until it has been given its first reading. No bill or resolution shall be objected to on its introduction.

### AMENDMENTS TO BE GERMANE

37. An amendment proposed to the Senate or to the Committee of the Whole that is not germane is out of order. A non-germane amendment includes one that relates to a substantially different subject, or is intended to accomplish a substantially different purpose than that of the original bill to which it is proposed. Whether an amendment is germane is a question to be decided by the President, who may put the question to the body if he chooses.

### AMENDMENTS TO BILLS

38. In drawing an amendment to a bill or resolution reference shall be made therein, first to the number of the bill, then to the page, and then to the line or lines from which matter is to be stricken or in which new matter is to be inserted.

### AMENDMENTS TO TITLE

39. The title to a bill may be amended at any time during its pendency in the Senate.

### RECALL FROM COMMITTEE

40. With the concurrence of the first author of the bill, a majority of the Senate may at any time recall a bill from any committee or take a bill from the table and place it on General Orders.

By a report of the Committee on Rules and Administration adopted by the Senate, the Committee on Rules and Administration, on request of the first author, may remove a bill from committee and re-refer it to any other committee or place it on General Orders.

### DISTRIBUTION AND PRINTING OF BILLS

41. To the extent practical the Secretary shall provide a copy of any bill to the public. He may charge a reasonable fee.

Unless otherwise ordered by the Senate, all Senate bills which have been reported upon favorably or without recommendation by a committee shall be printed prior to consideration by the Senate or the Committee of the Whole. ~~A committee chair, a majority of the last committee to consider a bill, or the Senate may require that~~ A House bill amended by the Senate *must* be unofficially engrossed and printed when placed on General Orders. A bill may be printed by order of the Secretary when amended after second reading. A bill shall be printed when ordered by a majority vote of the Senate. Action by the Senate on a bill which has not been printed is a waiver of the printing requirement.

### COMMITTEE OF THE WHOLE

42. All bills, memorials, orders, resolutions and votes requiring the approval of the Governor shall, after a second reading, be considered in Committee of the Whole before they are finally acted upon by the Senate, except as provided for in Rules 9 and 10.

43. The President may call a member to the Chair when the Senate resolves itself into the Committee of the Whole. The rules observed in the Senate govern, as far as practicable, the proceedings of the Committee of the Whole, and the Chair of the Committee of the Whole has the powers of the President, as appropriate. However, a member may speak more than twice on the same subject and a call for the previous question cannot be made. The yeas and nays shall be taken only upon the request of three members, and when taken shall be recorded in the Journal along with the amendment; provided, however, that a member may, with the approval of the Chair of the Committee on Rules and Administration, submit a description of the amendment for printing. In those cases the Secretary shall retain in the minutes of the Committee of the Whole the full text of the amendment.

44. The recommendations of the Committee of the Whole shall be reported to the Senate. If a recommendation contains a proposed amendment of a bill, that amendment shall be noted on a separate piece of paper but when reported need not be read by the President unless required by one or more of the members. The question is on the adoption or rejection of the report, and no other question shall be admitted. The question may be divided to permit separate Senate action on the report as to any bill. On adoption of the report of the Committee of the Whole all bills recommended to pass shall be placed upon the Calendar.

### AMENDMENT ON THIRD READING

45. No amendment is in order on third reading without the unanimous consent of the Senate unless it fills a blank, amends the title as provided by Rule 39, is proposed to the chief author of the bill by the Revisor of Statutes to correct technical defects found by the Revisor while engrossing earlier amendments to the bill, or is proposed to a bill on the Consent Calendar before the bill is given its third reading.

In filling blanks, the largest sum, the longest time and the greatest distance shall be first taken.

### MOTION TO REFER

46. A bill or resolution may be referred to committee at any time prior to its passage, and if an amendment is reported on the referral to any other than the Committee of the Whole, it shall again be read the second time, considered in Committee of the Whole, read the third time and placed on final passage. If the referral is to the Committee of the Whole it shall be placed at the head of General Orders, except when the referral is under Rule 9.

### FINAL PASSAGE

47. The final question upon a bill or other matter requiring action by both Houses after its first and second reading, and after the consideration in Committee of the Whole, is upon its final passage.

### TRANSMITTING OF BILLS TO THE HOUSE

48. Except as provided in Rule 31, immediately after the passage of a bill or other matter in which the concurrence of the House of Representatives is requested, the Secretary shall transmit it to the House. On the concurrence of a bill or other matter of the House by the Senate, or on the concurrence or disagreement in a vote of the House, the Secretary shall notify the House.

### COMPARISON AND SUBSTITUTION OF BILLS

49. Unless there is a motion by the Chair of the Committee on Rules and Administration or objection under Rule 35, a House bill, after its first reading, shall be referred as follows:

(a) If there is no Senate companion bill, the House bill shall be referred to the appropriate standing committee;

(b) If there is a Senate companion bill, the House bill shall be referred to the standing committee possessing the Senate companion;

(c) If the Senate companion bill has been reported to the Senate, the House bill shall be referred to the Committee on Rules and Administration, which shall report whether the House bill is identical to the Senate companion bill. If the bills are identical, the report shall recommend that the House bill be given its second reading and substituted for the Senate companion bill and the Senate companion bill be indefinitely postponed. If the House bill is not identical to the Senate companion bill, the report of the committee shall so state and recommend an amendment to the House bill that when adopted will render the House bill identical to the Senate bill. Upon adoption of a committee report containing the proposed amendment, the House bill as amended shall be given its second reading and substituted for the Senate companion bill and the Senate companion bill shall be indefinitely postponed.

Reports of the Committee on Rules and Administration pursuant to this rule shall be prepared and submitted on behalf of the committee by the Secretary.

A House bill placed on the Calendar by substitution shall not be given its third reading on the same day as the substitution.

### ENGROSSING AND ENROLLING OF BILLS

50. All engrossing and enrolling of bills shall be done at the direction and under authority of the Senate.

Every bill, memorial, order or resolution originating in the Senate shall be carefully engrossed before being transmitted to the House of Representatives for concurrence.

All bills shall be carefully enrolled under the supervision of the Committee on Rules and Administration, which may report to the Senate at any time on the enrollment of bills.

### DISPOSITION OF BILLS ON ADJOURNMENT

51. Adjournment of the regular session in an odd-numbered year to a date certain in the following year shall be equivalent to daily adjournment,

except that a bill on the Calendar, Consent Calendar, or General Orders shall be returned to the standing committee other than the Committee on Rules and Administration from which it was last reported to the Senate, unless otherwise provided for by motion prior to adjournment. Bills returned to committee pursuant to this rule shall, upon request of the author, be given priority for consideration by the committee ahead of all other bills in the order in which they appeared on the Calendar, Consent Calendar, or General Orders.

### **PETITIONS AND OTHER COMMUNICATIONS**

52. In presenting a petition, memorial, remonstrance or other communication addressed to the Senate, a member shall only state the general purpose of it.

Every petition, memorial, remonstrance, resolution, bill and report of committee, shall have an appropriate title, and the name of the member presenting it written on it.

### **RESOLUTIONS**

53. Memorial resolutions addressed to the President or the Congress of the United States, or a house or member of Congress, or a department or officer of the United States, or a state or foreign government, joint resolutions, and resolutions requiring the signature of the Governor shall follow the same procedure as bills before being adopted.

Upon a member giving notice of intention to debate a resolution not required to follow the same procedure as bills and not offered by the Committee on Rules and Administration, the resolution shall lie over one calendar day without debate or other action. Upon the request of a member, the resolution shall be referred to the proper committee. Whenever a question arises concerning the proper reference the procedure provided by Rule 35 applies.

### **CONFIRMATIONS**

54. Every gubernatorial appointment requiring the advice and consent of the Senate shall be referred by the President to the appropriate committee. If a question arises as to the proper committee, the appointment shall be referred without debate to the Committee on Rules and Administration for a report making the proper reference.

The final question on the appointment is, "Will the Senate, having given its advice, now consent to this appointment?" The question shall not be put the same day the appointment is received or on the day it is reported by committee unless by unanimous consent.

### **SIGNING OF ACTS, RESOLUTIONS**

55. In addition to his duties under Rule 3, the President shall sign all acts, memorials, addresses and resolutions. All writs, warrants and subpoenas issued by the Senate shall be signed by the President and attested by the Secretary. Upon a finding by the Committee on Rules and Administration that the President refuses or is unable to sign any of the documents described in this rule, the Chair of the Committee on Rules and Administration, or some other member selected by the committee shall assume



the duties of the President under this rule until the President is able to sign the documents described or until the Senate elects a new President, whichever occurs first.

### APPOINTMENT OF COMMITTEES

56. The majority and minority shall each be represented on all standing committees of the Senate *substantially in proportion to their numbers in the Senate*. The majority group shall assign the number of positions the minority group will hold on each committee. The minority group shall be given adequate notice about its positions prior to the commencement of the session. Both the majority and minority groups shall appoint their own members to fill the number of positions each group will hold on each committee. The minority group shall transmit notice of its assignments to the majority group within ten calendar days after receipt of the notice of positions available. If the minority group for any reason fails to make its appointments pursuant to this rule, the majority group may make all the committee assignments.

The majority and minority committee assignments are subject to the uniform criteria governing committee assignments applicable to both the majority and minority. The uniform criteria shall be promulgated by the majority group and transmitted to the minority group together with notification of committee positions available to the minority.

Committee assignments as made by the majority and minority groups shall be followed by the Senate in the resolution establishing representation on all Senate standing committees.

After the organization of the Senate, all committees of the Senate and members of commissions to be appointed by the Senate authorized by rule, statute, resolution or otherwise, shall be appointed by the Subcommittee on Committees of the Committee on Rules and Administration, unless otherwise provided, subject to confirmation by the Senate. In the appointment of members of conference committees between the two houses, the Subcommittee on Committees of the Committee on Rules and Administration of the Senate shall appoint those who are in accord with the position of the Senate, and whenever practical, give preference to authors of bills in dispute and to members of standing committees in which the bills were considered.

### STANDING COMMITTEES

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

Agriculture and Rural Development

Commerce

Economic Development and Housing

Education

Elections and Ethics

Employment

Environment and Natural Resources

Finance

General Legislation and Public Gaming  
Governmental Operations  
Health and Human Services  
Judiciary  
Local and Urban Government  
Public Utilities and Energy  
Rules and Administration  
Taxes and Tax Laws  
Transportation  
Veterans and Military Affairs

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

Each standing committee of the Senate, including a subcommittee of the committee, is authorized at any time to sit and act, to investigate and take testimony on any matter within its jurisdiction, to report hearings held by it, and to make expenditures as authorized from time to time by the standing Committee on Rules and Administration. A standing committee, but not a subcommittee, may require by subpoena or otherwise the attendance and testimony of witnesses and the production of correspondence, books, papers, and documents, in the manner provided by Minnesota Statutes, Section 3.153.

### COMMITTEE MEETINGS

58. All meetings of the Senate, its committees and subcommittees are open to the public.

To the extent practical, meetings of all committees shall be announced to the public at least three calendar days prior to convening. The notice shall state the name of the committee, the bill or bills to be considered, the place and time of meeting. The notice shall be posted on all Senate bulletin boards in the Capitol and the State Office Building. A notice shall be sent to the House of Representatives for posting as it deems necessary.

### QUORUM IN COMMITTEE

59. A majority of its members constitutes a quorum of a committee.

### REPORT OF VOTE IN COMMITTEE

60. Upon the request of a member of a committee or subcommittee to which a bill has been referred, or upon the request of the author of the bill, a record shall be made of the vote on the bill in the committee or subcommittee, including the vote on any amendment or proposed amendment to it, in the committee or subcommittee to which the bill was referred.

Upon request of three members of the committee before the vote is taken, the record of a roll call vote in a standing committee shall accompany the

committee report and be printed in the Journal.

### COMMITTEE ACTION

61. No report of any committee shall be made to the Senate unless it reports action taken at a regular or special meeting of the committee. A report in violation of this rule is out of order.

~~A committee report of a proposed amendment to a bill, memorial or resolution shall be in six copies.~~

### EMPLOYEES AUTHORIZED IN THE SENATE

62. The Committee on Rules and Administration shall establish positions, set compensation, appoint employees, and authorize expense reimbursement for employees as it deems proper to carry out the work of the Senate. At the request of any committee member, an action of the committee shall be submitted as a Senate resolution for adoption by the Senate. A roster of all employees of the Senate, including positions and compensation, shall be kept by the Secretary and shall be open for inspection by the public. The Secretary shall post, in a public place in the Capitol, a notice of every vacant position on the permanent staff of the Senate. The notice must remain posted for at least two weeks, and no vacancy may be filled until the period of posting has elapsed.

### BUDGET AND EXPENDITURES

63. The Committee on Rules and Administration shall adopt an operating budget for the Senate and refer it to the Committee on Finance.

All propositions for the appointment and payment of employees of the Senate or for expenditures on account of the Legislature, other than those provided by law, shall be referred to the Committee on Rules and Administration without debate.

### AUTHORITY OVER EMPLOYEES

64. Except as otherwise provided in these rules, the Committee on Rules and Administration has full and exclusive authority over, and charge of all employees, officers and clerks of the Senate both elective and appointive. The committee has the sole and exclusive power and authority to assign them to duties other than for which they were elected or appointed as the committee may from time to time provide. The committee has power to appoint employees, officers or clerks as it deems proper to exercise the power granted to it by this rule. The committee may make rules and regulations for the government of the employees, officers and clerks as they see fit. In case of violation of an order of the committee by an employee, officer or clerk, or in case of a violation of a rule or regulation made by the committee, or in case of misconduct or omission by an employee, officer or clerk, the Committee on Rules and Administration may hear complaints and discharge the employee, officer or clerk or impose other punishment by way of fine or otherwise upon the employee, officer or clerk as the committee deems just and proper.

### DUTIES OF SECRETARY

65. The Secretary shall keep a correct Journal of the proceedings of the Senate and shall perform other duties assigned to him as Secretary. He shall not permit Journal records, accounts or papers to be taken from the table or out of his custody, other than in the regular mode of business. If a paper in his charge is missing, he shall report the fact to the President, so that inquiry may be made. He shall superintend the recording of proceedings in the Journal, the engrossing, transcribing and copying of the bills and resolutions, supervise the assistants, clerks and stenographers under the direction of the Committee on Rules and Administration, and generally perform the duties of Secretary, under direction of the President. The Secretary shall keep a record of all Senate and House bills showing the state, condition, and progress of each bill pending, until its final passage.

The Secretary shall cause to be recorded on magnetic tape the proceedings of the Senate, the Committee of the Whole, each standing committee and standing subcommittee. Each tape shall be clearly labeled to show the name of the body whose proceedings are recorded and the dates the proceedings occurred. Each tape shall be accompanied by a log showing the number of each bill considered and the places on the tape where consideration of the bill occurred. Within two working days after each day the Senate is in session the Secretary shall make a copy of the tape and corresponding log of proceedings of the Senate and the Committee of the Whole and deliver the copies to the Legislative Reference Library. Within one week after each meeting of a standing committee or standing subcommittee the Secretary shall make a copy of the tape and corresponding log of the meeting and deliver the copies to the Legislative Reference Library. Upon completion and approval of the minutes of the meeting, a copy of the minutes shall be promptly delivered to the Legislative Reference Library. The Secretary shall keep a record of each session of the Senate and the Committee of the Whole, each meeting of a Senate standing committee or standing subcommittee, and the date on which a tape recording of the session or meeting was transmitted to the Legislative Reference Library. The Library shall keep a similar record of all tapes received. The Library shall provide committee staff with reasonable access to Senate tapes and shall provide the public with convenient facilities to listen to the tapes. Copies of Senate tapes shall be available to the public from the Secretary, for a fee determined by the Secretary to be adequate to cover the cost of preparing the copies. A copy shall be provided free to a member of the Senate upon request for use in legislative business. The original tape and log of each session of the Senate and the Committee of the Whole shall be kept by the Secretary until the end of the period for which the members of the existing House of Representatives have been elected, at which time the tape may be preserved or disposed of as he sees fit. Tapes, logs, and minutes forwarded to the Legislative Reference Library shall be kept by the Library until two years after the end of the period for which the members of the existing Senate have been elected, at which time they may be preserved or disposed of as the Library sees fit. It is the intention that testimony and discussion preserved under this rule not be admissible in any court or administrative proceeding on an issue of legislative intent.

### JOURNAL—HOW APPROVED

66. The Journal of each day's proceedings is open for correction at any time during the session of the next day the Senate meets. Unless corrected

on that day, the Journal stands approved.

### SECRETARY MAY CORRECT ERRORS

67. The Secretary of the Senate and Engrossing Secretary, in all proper cases, shall correct all mistakes in numbering the sections and reference to them, whether the errors occur in the original bill or are caused by amendments to it.

### PURCHASING SUPPLIES

68. The Secretary is the agent of the Senate for the purchase of supplies. The Secretary's records on purchase of supplies are open for inspection during normal business hours.

### DUTIES OF THE SERGEANT AT ARMS

69. The Sergeant at Arms shall execute all orders of the President and perform all duties assigned to him connected with the police and good order of the Senate Chamber; exercise supervision over the entry and exit of all persons to and from the Chamber; see that messages are promptly delivered; see that the hall is properly ventilated and the temperature properly regulated, and that it is open for the use of members of the Senate at the time fixed; and perform all other services pertaining to his office.

### PERSONS PRIVILEGED TO THE FLOOR OF THE SENATE

70. No person shall be admitted within the Senate Chamber, but a member, an officer, the constitutional officers, ex-Governors of the State of Minnesota, members of the House, judges of the trial and appellate courts and members of Congress. Those who have been members of Congress or of the state Legislature who are not interested in any claim or directly in a bill pending before the Legislature may be personally admitted by a member of the Senate. An employee of either house may be admitted at the request of a member or an officer of the Senate. The head of a department of state government may be admitted by the President. When a member-elect is sworn in, the member-elect may request that one guest be admitted. When the Senate is not meeting, a person not a member may be admitted to the floor at the request of a member or officer. No public hearings shall be held in the Senate Chamber. The retiring room of the Senate is reserved for the exclusive use of the members of the Senate at all times. The Sergeant at Arms shall strictly enforce this rule.

### PRIVILEGE OF REPORTERS

71. Provision shall be made for news reporters on the Senate floor in limited numbers, and in the Senate gallery. Because of limited space on the floor, permanent space is limited to those news agencies which have regularly covered the legislature, namely: The Associated Press, United Press International, St. Paul Pioneer Press Dispatch, Minneapolis Star and Tribune, Duluth News-Tribune and Herald, Rochester Post-Bulletin, St. Cloud Daily Times, WCCO radio, KSTP radio, and Minnesota Public Radio. An additional two spaces shall be provided to other reporters *if space is available*.

One person from each named agency *and one person from the Senate Publications Office* may be present at the press table on the Senate floor

at any one time.

Other news media personnel may occupy seats provided in the Senate gallery.

The Committee on Rules and Administration may, through committee action or by delegating authority to the Secretary, allow television filming on the Senate floor on certain occasions.

The committee or its agent may designate a committee of three senior news correspondents to act as an issuing agency for reporters' badges or other credentials.

### **DISORDERLY CONDUCT**

72. In case of a disturbance or disorderly conduct in the lobbies or galleries, the President may order them cleared. Picture taking by persons other than accredited news reporters, picture taking with floodlights or flash units, hand clapping, demonstrations, and food and beverages, are prohibited in the Senate Chamber and in the galleries.

### **INTRODUCTION OF VISITORS**

73. No introduction of a visitor or visitors in the galleries shall be made from the floor or rostrum of the Senate.

### **SMOKING**

74. No person is permitted to smoke in the Senate Chamber, *Retiring Room, hearing rooms, or public spaces under the control of the Senate.* There shall be no smoking in the visitors section of the galleries.

### **ETHICAL CONDUCT**

75. The Subcommittee on Committees shall appoint a special committee on Ethical Conduct consisting of four members, two from the majority and two from the minority.

The committee shall serve in an advisory capacity to a member or employee upon written request and shall issue recommendations to the member or employee.

A lobbyist shall not appear before a Senate committee pursuant to his employment unless he is in compliance with the law requiring lobbyist registration, Minnesota Statutes, Sections 10A.03 to 10A.06. A lobbyist when appearing before a committee shall disclose to the committee those in whose interest he speaks and the purpose of his appearance. A lobbyist shall not knowingly furnish false or misleading information or make a false or misleading statement that is relevant and material to a matter before the Senate or any of its committees when he knows or should know it will influence the judgment or action of the Senate or any of its committees thereon. A lobbyist shall not exert undue influence or expend improper sums of money in connection with any legislation.

The committee shall investigate a complaint by a member of the Senate in writing under oath received during a legislative session regarding improper conduct by a member or employee of the Senate or a lobbyist. The committee has the powers of a standing committee to issue subpoenas pursuant to Minnesota Statutes, Section 3.153. In order to determine whether there

is probable cause to believe that improper conduct has occurred, the committee may, by a vote of three of its members, conduct a preliminary inquiry in executive session to which the requirements of Rule 58 do not apply. Upon a finding of probable cause, further proceedings on the complaint are open to the public. If, after investigation, the committee finds the complaint substantiated by the evidence, it shall recommend to the Senate appropriate disciplinary action.

Mr. Benson moved to amend Senate Resolution No. 62 as follows:

Page 7, line 11, after "Chamber" insert "*at the time the question was first put*"

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

Mr. Knaak moved to amend Senate Resolution No. 62 as follows:

Page 3, line 27, after "Administration" insert "*, with the consent of the Senate,*"

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

Mr. Benson moved to amend Senate Resolution No. 62 as follows:

Page 1, line 13, after the period, insert "*The customs, usages, and precedents of the Senate during previous legislatures are not a source of precedent to be relied upon by the President in ruling on a point of order, except to the extent that they were written down before the point of order was raised and are provided to any member upon request before the point of order is decided.*"

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 62 and nays 1, 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	Knutson	Metzen	Samuelson
Belanger	DeCramer	Kroening	Moe, R. D.	Schmitz
Benson	Dicklich	Laidig	Novak	Solon
Berg	Diessner	Langseth	Pariseau	Spear
Berglin	Frank	Lantry	Pehler	Storm
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	
Chmielewski	Gustafson	McGowan	Purfeerst	
Cohen	Hughes	McQuaid	Ramstad	

Mr. Knaak voted in the negative.

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 4: 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 March 8, 1989, the House of Representatives

may set its next day of meeting by motion.

2. The Senate consents to adjournment of the House of Representatives for more than three days.

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

### CALENDAR

H.F. No. 29: A bill for an act relating to examiners of title; increasing number of deputy examiners of title in second and fourth judicial districts; amending Minnesota Statutes 1988, section 508.12, 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	Pogemiller
Anderson	Davis	Johnson, D.J.	Mehrrens	Purfeerst
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 169: A bill for an act relating to motor vehicles; allowing custodial parent of handicapped minor to obtain special license plates for the handicapped; amending Minnesota Statutes 1988, section 168.021, subdivisions 1 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 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.	Mehrrens	Purfeerst
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 115: A bill for an act relating to the military; requiring the



adjutant general to furnish flags for certain deceased members of the national guard regardless of their number of years of service; amending Minnesota Statutes 1988, section 192.381.

Was read the third time 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	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 286: A bill for an act relating to the military; clarifying the authority of the adjutant general to establish the pay grade for certain staff positions; amending Minnesota Statutes 1988, section 190.08, 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 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	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 363: A bill for an act relating to human services; clarifying administrative and judicial review procedures; creating new procedures; amending Minnesota Statutes 1988, section 256.045, subdivisions 1, 3, 4, 4a, 5, 6, 7, and 10, 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	Dahl	Johnson, D.E.	McQuaid	Pogemiller
Anderson	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 117: A bill for an act relating to human services; modifying the method of applying the requirement that at least 50 percent of new intermediate care beds be used for persons transferred from the regional treatment centers; allowing case managers or the commissioner to carry out screening for home and community-based services; allowing counties to contract for guardianship services in screening for services; amending Minnesota Statutes 1988, sections 252.291, subdivision 2; and 256B.092, 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 64 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	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Schmitz
Berglin	Frank	Langseth	Novak	Solon
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pariseau	Storm
Brandl	Frederickson, D.R.	Lessard	Pehler	Taylor
Brataas	Freeman	Luther	Peterson, D.C.	Vickerman
Chmielewski	Gustafson	Marty	Peterson, R.W.	Waldorf
Cohen	Hughes	McGowan	Piper	

So the bill passed and its title was agreed to.

S.F. No. 123: A bill for an act relating to state government; providing for the establishment of an audit guide task force by the state auditor; amending Minnesota Statutes 1988, section 6.65.

Was read the third time 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	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 206: A bill for an act relating to state government; administrative procedures; regulating exempt rules; making certain technical changes; amending Minnesota Statutes 1988, sections 14.40; and 97A.051, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes 1988, sections 97A.051, subdivision 3; 144A.10, subdivision 6a; 174.031, subdivision 2; 254B.03, subdivision 6; 254B.04, subdivision 2; 257.357; and 574.262, subdivision 3; Laws 1985, chapter 4, section 8; and Laws 1987, chapter 337, section 128.

Was read the third time 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	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 121: A bill for an act relating to towns; authorizing town boards to provide for the collection of unpaid service charges; proposing coding for new law in Minnesota Statutes, chapter 366.

Was read the third time 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	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R. D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R. W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

H.F No. 113: A bill for an act relating to local government; granting powers to towns; setting certain procedures; amending Minnesota Statutes 1988, sections 366.01, subdivision 7; 471.193, subdivision 2; 471.345, subdivision 5a; and 505.09, subdivision 1; repealing Minnesota Statutes 1988, section 368.121.

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 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.	Mehrkens	Ramstad
Beckman	Decker	Knaak	Merriam	Reichgott
Belanger	DeCramer	Knutson	Metzen	Renneke
Benson	Dicklich	Kroening	Moe, D.M.	Samuelson
Berg	Diessner	Laidig	Moe, R. D.	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.	Taylor
Brataas	Freeman	Luther	Peterson, R. W.	Vickerman
Chmielewski	Gustafson	Marty	Piper	Waldorf
Cohen	Hughes	McGowan	Pogemiller	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

S.F No. 628: A bill for an act relating to eminent domain; providing for relocation benefits for displaced persons; amending Minnesota Statutes 1988, section 117.52, 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 64 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	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pariseau	Storm
Brandl	Frederickson, D.R.	Lessard	Pehler	Taylor
Brataas	Freeman	Luther	Peterson, D.C.	Vickerman
Chmielewski	Gustafson	Marty	Peterson, R.W.	Waldorf
Cohen	Hughes	McGowan	Piper	

So the bill passed and its title was agreed to.

S.F. No. 149: A bill for an act relating to education; authorizing the Minneapolis school district to pay health insurance premium subsidies more often than annually; amending Minnesota Statutes 1988, section 275.125, subdivision 6h.

Was read the third time 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	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf

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. Waldorf introduced—

S.F. No. 853: A bill for an act relating to health; requiring the physician to make a determination of viability; prohibiting abortions except those necessary to preserve the life or health of the mother; regulating the method of abortion of the viable fetus; requiring the presence of a second physician at the abortion of a viable unborn child; regulating the standard of care for the viable unborn child; according protection of law to the child born alive as a result of abortion; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 854: A bill for an act relating to the collection and dissemination of data; providing access to private and confidential data related to delinquent acts for law enforcement purposes; amending Minnesota Statutes 1988, sections 13.84, subdivision 5a; and 260.161, subdivision 2.

Referred to the Committee on Judiciary.

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

S.F. No. 855: A bill for an act relating to state employees; authorizing the department of transportation to permit the donation of vacation time for unreimbursed medical expenses; proposing coding for new law in Minnesota Statutes, chapter 174.

Referred to the Committee on Governmental Operations.

Mr. Frank introduced—

S.F. No. 856: A bill for an act relating to housing; expanding the Minnesota housing financing agency's shared housing program to include handicapped persons; authorizing the provision of technical assistance to sponsors; appropriating money; amending Minnesota Statutes 1988, section 462A.05, subdivision 24.

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 857: A bill for an act relating to retirement; West St. Paul police relief association; providing full salary related automatic postretirement adjustments; amending Minnesota Statutes 1988, section 423A.01, subdivision 4; and Laws 1967, chapter 751, section 2, as amended.

Referred to the Committee on Governmental Operations.

Messrs. Renneke, Samuelson, Vickerman, Ms. Piper and Mr. Benson introduced—

S.F. No. 858: A bill for an act relating to health; authorizing community health boards to establish health promotion teams; prescribing duties; authorizing the commissioner of health to fund these teams; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145A.

Referred to the Committee on Health and Human Services.

Mr. Knaak and Mrs. McQuaid introduced—

S.F. No. 859: A bill for an act relating to human services; excluding Japanese reparation payments from income and resources for determining eligibility for public assistance programs; amending Minnesota Statutes 1988, sections 256D.03, subdivision 3; 256D.08, subdivision 1; and 256D.37, subdivision 7.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 860: A bill for an act relating to corrections; allowing chiropractors to practice in institutions under the control of the commissioner of corrections; amending Minnesota Statutes 1988, section 241.021, subdivision 4.

Referred to the Committee on Health and Human Services.

Mrs. Lantry, Mr. Purfeerst, Mrs. McQuaid and Mr. Novak introduced—

S.F. No. 861: A bill for an act relating to employment; requiring the regional transit board to establish a transit demonstration program for certain workers; amending Minnesota Statutes 1988, section 473.387, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Bertram, Davis, Purfeerst, Frederickson, D.R. and Frederickson, D.J. introduced—

S.F. No. 862: A bill for an act relating to agriculture; funding pseudorabies research and pseudorabies control; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Mr. Spear, Ms. Peterson, D.C.; Mr. Cohen, Mmes. McQuaid and Adkins introduced—

S.F. No. 863: A bill for an act relating to financial institutions; providing standards for determining transaction account service charges; permitting state banks to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules regarding activities of banks and bank subsidiaries; amending Minnesota Statutes 1988, sections 48.512, by adding a subdivision; and 48.61, by adding a subdivision.

Referred to the Committee on Commerce.

Mses. Berglin, Piper, Messrs. Samuelson, Spear and Johnson, D.E. introduced—

S.F. No. 864: A bill for an act relating to corrections; authorizing a grant to support a statewide coalition of sexual assault programs, agencies, and providers; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Cohen, Novak, Diessner, Frank and Frederick introduced—

S.F. No. 865: A bill for an act relating to taxation; providing an income tax adjustment for certain losses.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 866: A bill for an act relating to education; reducing the Askov school board from seven to six members; requiring local approval.

Referred to the Committee on Education.

Mr. Diessner introduced—

S.F. No. 867: A bill for an act relating to local government aid; modifying the distribution formula for cities; amending Minnesota Statutes 1988, sections 477A.011, by adding a subdivision; 477A.013, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1988, sections 477A.011, subdivisions 15 to 19 and 22 to 24; and 477A.013, subdivisions 3 and 4.

Referred to the Committee on Taxes and Tax Laws.

Ms. Peterson, D.C. introduced—

S.F. No. 868: A bill for an act relating to elections; changing certain procedures for counting absentee ballots; amending Minnesota Statutes 1988, sections 203B.10; 203B.12, subdivisions 1 and 6; 203B.13; and 205B.10, subdivision 2.

Referred to the Committee on Elections and Ethics.

Mr. DeCramer introduced—

S.F. No. 869: A bill for an act relating to courts; increasing certain fees collected by the court administrator; amending Minnesota Statutes 1988, sections 171.06, subdivisions 2 and 4; 357.021, subdivision 2; and 525.22.

Referred to the Committee on Judiciary.

Messrs. Metzen, Solon, Larson, Frederick and Anderson introduced—

S.F. No. 870: A bill for an act relating to insurance; life; allowing insurance policies to contain a rider providing for early payment of benefits to recipients of long-term care; amending Minnesota Statutes 1988, sections 60A.06, subdivisions 1 and 3; and 62A.46, subdivision 2.

Referred to the Committee on Commerce.

Messrs. Storm, Anderson, Benson, McGowan and Ramstad introduced—

S.F. No. 871: A bill for an act relating to appropriations; appropriating money to the crime victims reparation board.

Referred to the Committee on Finance.

Messrs. Vickerman and Beckman introduced—

S.F. No. 872: A bill for an act relating to human services; clarifying the responsibility of relatives to reimburse counties for burial of indigent persons; amending Minnesota Statutes 1988, section 261.035.

Referred to the Committee on Health and Human Services.

Messrs. Brandl; Davis; Johnson, D.J.; Moe, D.M. and Ms. Peterson, D.C. introduced—

S.F. No. 873: A bill for an act relating to taxation; imposing conditions on memberships for golf clubs that qualify for open space tax treatment;



amending Minnesota Statutes 1988, section 273.112, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. DeCramer introduced—

S.F. No. 874: A bill for an act relating to education; exempting the state university board from the department of administration procurement procedures for printing; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Governmental Operations.

Mr. DeCramer introduced—

S.F. No. 875: A bill for an act relating to education; allowing the state university board to appoint counsel for certain purposes; amending Minnesota Statutes 1988, section 136.14, by adding a subdivision.

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 876: A bill for an act relating to education; exempting the state university system from department of administration procurement procedures for certain equipment; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Governmental Operations.

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

S.F. No. 877: A bill for an act relating to agriculture; changing the eligibility for an additional payment and principal reduction in the family farm security program; amending Minnesota Statutes 1988, section 41.57, subdivision 4.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Morse, Purfeerst, DeCramer and Langseth introduced—

S.F. No. 878: A bill for an act relating to highways; removing legislative route 249 from the trunk highway system.

Referred to the Committee on Transportation.

Messrs. Novak, Dicklich, Diessner and Johnson, D.E. introduced—

S.F. No. 879: A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116I.01, subdivision 3; 116I.05; 216D.01, subdivisions 9 and 10, and by adding a subdivision; 299F56, subdivisions 5 and 6a; 299F57; 299F59, subdivision 1; 299F60; 299F61; 299F62; 299F63; 299F631; 299F641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, sections 299J.05 and 299J.09.

Referred to the Committee on Public Utilities and Energy.

Mr. Cohen, Ms. Peterson, D.C.; Mr. Marty, Ms. Berglin and Mr. Brandl introduced—

S.F. No. 880: A bill for an act relating to human services licensing; requiring the commissioner of human services to amend its drop-in day care rule to provide further exemptions from day care center standards and to allow for additional variances; proposing coding for new law in Minnesota Statutes, chapter 245A.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Stumpf, Renneke, Pogemiller and Waldorf introduced—

S.F. No. 881: A bill for an act relating to retirement; volunteer firefighters; probational members and supplemental benefits; amending Minnesota Statutes 1988, sections 424A.01, subdivision 2; and 424A.10; repealing Minnesota Statutes 1988, section 424A.01, subdivision 3a.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Freeman, Mrs. Brataas, Messrs. DeCramer and Benson introduced—

S.F. No. 882: A bill for an act relating to education; appropriating money for lease of space at the College of St. Teresa by Winona State University.

Referred to the Committee on Finance.

Messrs. Frederickson, D.J.; Pehler; Ms. Peterson, D.C. and Mr. DeCramer introduced—

S.F. No. 883: A bill for an act relating to education; providing staffing provisions for school district reorganization; appropriating money; amending Minnesota Statutes 1988, sections 122.22, by adding a subdivision; 122.23, by adding a subdivision; 122.532, subdivision 4; 122.535, subdivision 1; 122.541, by adding a subdivision; 122.91, by adding a subdivision; 122.93, subdivision 3; and 124.494, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 122.

Referred to the Committee on Education.

Messrs. Frank and Pogemiller introduced—

S.F. No. 884: A bill for an act relating to taxation; imposing tax on the unrelated business income of exempt organizations; amending Minnesota Statutes 1988, section 290.05, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller introduced—

S.F. No. 885: A bill for an act relating to taxation; income; providing an additional deduction for certain stock dividends of affiliated companies; amending Minnesota Statutes 1988, section 290.21, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.J.; Frederickson, D.R.; Beckman; Schmitz and Vickerman introduced—

S.F. No. 886: A bill for an act relating to insurance; township mutuals; permitting the directors to choose a manager who need not be a member of the board; expanding the permissible duties of the treasurer and manager; permitting township mutual fire insurance companies to cover certain secondary property; permitting township mutual insurance companies to insure secondary property outside the companies' territory under certain circumstances; setting forth a director's personal liability; amending Minnesota Statutes 1988, sections 67A.09, subdivision 1; 67A.12, subdivision 1; 67A.14, subdivisions 1 and 5; and 67A.17, subdivisions 2 and 3.

Referred to the Committee on Commerce.

Messrs. Solon and Gustafson introduced—

S.F. No. 887: A bill for an act relating to retirement; public employees police and fire retirement fund local relief association consolidation accounts; providing for the establishment of a single local relief consolidation account for all consolidating relief associations located in the municipality; amending Minnesota Statutes 1988, section 353A.09, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Solon and Gustafson introduced—

S.F. No. 888: A bill for an act relating to retirement; public employee police and fire fund local relief association consolidation accounts; indexing benefits to the Minnesota postretirement investment in the event of a local police or fire relief association with insufficient assets to fully fund the reserve requirement; amending Minnesota Statutes 1988, sections 353A.08, subdivisions 1 and 3; 353A.09, subdivisions 1, 2, and 3.

Referred to the Committee on Governmental Operations.

Messrs. Davis; Frederickson, D.J.; Moe, R.D.; Beckman and DeCramer introduced—

S.F. No. 889: A bill for an act relating to agriculture; adopting a state packers and stockyards act; imposing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 31B.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Cohen; Morse; Luther; Frederickson, D.R. and Freeman introduced—

S.F. No. 890: A bill for an act relating to judicial administration; providing for the transfer of referees, judicial officers, court reporters, law clerks, and district administration staff from county to state employment; providing that guardians ad litem are county employees for purposes of tort claims and clarifying tort liability for other court employees; providing for inclusion of the second and fourth judicial districts in the public defender system; providing for appointment of public defenders in the second and fourth judicial districts; authorizing the supreme court to adopt transition rules; appropriating money; amending Minnesota Statutes 1988, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 352.01,

subdivision 2b; 353.01, subdivision 2a; 466.01, subdivision 6; 484.545, subdivisions 1, 2, and 3; 484.62; 484.64, subdivision 3; 484.65, subdivisions 3 and 7; 484.68, subdivision 5; 486.05; 486.055; 486.06; 487.08, subdivision 5; and 611.26, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 480 and 611; repealing Minnesota Statutes 1988, sections 383B.63, subdivisions 4 and 5; 486.07; 488A.05; 488A.111; 488A.22; 488A.281; 611.12; and 611.214; and Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Belanger and Schmitz introduced—

S.F. No. 891: 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; amending Minnesota Statutes 1988, sections 473F01; 473F02, subdivisions 3 and 12; 473F06; 473F07, subdivisions 1 and 3; 473F08, subdivisions 2 and 6; and 473F13, subdivision 1; repealing Minnesota Statutes 1988, sections 473F02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F12; and 473F13, subdivisions 2 and 3.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 892: A bill for an act relating to transportation; clarifying source of funds to be deposited in the rail service improvement account; requiring the commissioner of transportation to identify areas where insufficient rail service is detrimental to efficient transportation; providing for apportionment of costs for new grade crossings; providing for improvement of existing rail crossings; providing for reimbursement of expenses for maintaining signals and other safety devices; appropriating money; amending Minnesota Statutes 1988, sections 219.071, subdivision 1; 219.072; 222.49; 222.50, subdivisions 4, 5, 6, 7, and by adding a subdivision; 222.63, subdivision 8; and 398A.02; proposing coding for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes 1988, section 222.50, subdivision 8.

Referred to the Committee on Transportation.

Mr. Cohen introduced—

S.F. No. 893: A bill for an act relating to taxation; individual income; imposing tax on certain deemed discharges of indebtedness income; amending Minnesota Statutes 1988, 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. Cohen introduced—

S.F. No. 894: A bill for an act relating to the child abuse reporting act; allowing recovery of attorney fees by good faith reporters; amending Minnesota Statutes 1988, section 626.556, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Novak; Lessard; Moe, R.D.; Frederickson, D.R. and Merriam introduced—

S.F. No. 895: A bill for an act relating to conservation; changing certain responsibilities; defining certain terms; adopting eligibility criteria; changing agreement terms and payment procedures; providing for enforcement; authorizing sale of certain bonds; appropriating money; amending Minnesota Statutes 1988, sections 40.42; 40.43; 40.44; and 40.45.

Referred to the Committee on Environment and Natural Resources.

Mr. Marty introduced—

S.F. No. 896: A bill for an act relating to health; requiring a death certificate to contain information about the person's tobacco use; amending Minnesota Statutes 1988, section 144.221, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Knaak, Ms. Olson, Messrs. Larson and Knutson introduced—

S.F. No. 897: A bill for an act relating to education; altering the responsibility for textbook and material costs under the post-secondary enrollment options act; amending Minnesota Statutes 1988, section 123.3514, subdivision 6.

Referred to the Committee on Education.

Messrs. Knaak, Larson and Renneke introduced—

S.F. No. 898: A bill for an act relating to education; delaying the start of the pilot interdisciplinary academic and arts program at the school and resource center for the arts; amending Minnesota Statutes 1988, section 129C.10, subdivision 3.

Referred to the Committee on Education.

Messrs. Knaak, Larson and Renneke introduced—

S.F. No. 899: A bill for an act relating to education; establishing a categorical program for the gifted and talented; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Knaak introduced—

S.F. No. 900: A bill for an act relating to education; restoring fund balance reductions to eligible school districts; authorizing a special levy; appropriating money.

Referred to the Committee on Education.

Messrs. Dicklich, Pehler, Novak, Ms. Olson and Mr. Frank introduced—

S.F. No. 901: A bill for an act relating to utilities; regulating noncompetitive and competitive telephone services; amending Minnesota Statutes

1988, sections 237.07; 237.081; 237.295, subdivisions 1 and 2; 237.57, subdivision 1; 237.58, subdivision 1; 237.59, subdivisions 1, 2, 3, and 6; 237.60, subdivisions 1 and 2; 237.62, subdivisions 1 and 2, and by adding a subdivision; 237.63, subdivision 1, and by adding subdivisions; and 237.64, subdivisions 1 and 2; Laws 1987, chapter 340, section 26; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1988, sections 237.075, subdivision 1a; and 237.081, subdivision 3.

Referred to the Committee on Public Utilities and Energy.

Mr. Knaak introduced—

S.F. No. 902: A bill for an act relating to retirement; authorizing certain purchases of prior service credit.

Referred to the Committee on Governmental Operations.

Messrs. Dicklich; Pehler; Johnson, D.J.; Gustafson and Waldorf introduced—

S.F. No. 903: A bill for an act relating to utilities; providing for the establishment of competitive electric utility rates for certain customers subject to effective competition; authorizing public utilities commission to require utility to initiate rate proceeding under limited circumstances; amending Minnesota Statutes 1988, sections 216B.045, subdivision 5; and 216B.17, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1988, section 216B.17, subdivisions 2, 3, 4, and 5.

Referred to the Committee on Public Utilities and Energy.

Messrs. Knaak, Laidig and Knutson introduced—

S.F. No. 904: A bill for an act relating to education; authorizing a levy for teacher retirement costs of intermediate school districts; amending Minnesota Statutes 1988, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Mr. Merriam introduced—

S.F. No. 905: A bill for an act relating to natural resources; prohibiting drainage of certain wetlands; amending Minnesota Statutes 1988, section 105.391, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Ms. Piper, Messrs. Cohen, Beckman, Brandl and Mrs. Brataas introduced—

S.F. No. 906: A bill for an act relating to courts; increasing marriage and dissolution fees; providing funding for battered women and displaced homemaker programs; amending Minnesota Statutes 1988, sections 357.021, subdivisions 2 and 2a; and 517.08, subdivisions 1b and 1c.

Referred to the Committee on Finance.

Mr. Hughes introduced—

S.F. No. 907: A bill for an act relating to retirement; St. Paul teachers retirement fund association; providing a benefit adjustment for certain St. Paul teachers with declining enrollment staff reduction demotions.

Referred to the Committee on Governmental Operations.

Messrs. Pogemiller and Renneke introduced—

S.F. No. 908: A bill for an act relating to retirement; amending provisions relating to certain purchases of prior service credit; amending Laws 1988, chapter 709, article 3, section 1, subdivision 4.

Referred to the Committee on Governmental Operations.

Ms. Piper, Mrs. Lantry, Messrs. Anderson, Vickerman and Mrs. Adkins introduced—

S.F. No. 909: A bill for an act relating to human services; authorizing reimbursement for cost saving equipment under general assistance medical care; increasing the complement of the department of human services; amending Minnesota Statutes 1988, section 256D.03, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Metzen, Novak and Freeman introduced—

S.F. No. 910: A bill for an act relating to taxation; property; limiting increases in the market value of homesteads; amending Minnesota Statutes 1988, section 273.11, subdivision 1, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Metzen and Frederick introduced—

S.F. No. 911: A bill for an act relating to counties; making explicit that the laws and rules that pertain to deputy registrars of motor vehicles also apply to county license bureaus; amending Minnesota Statutes 1988, section 373.35, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Spear, Cohen, Knaak, Merriam and Peterson, R. W. introduced—

S.F. No. 912: A bill for an act relating to human service; establishing requirements for disclosure of data about communicable diseases; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 913: A bill for an act relating to education; authorizing a special capital loan; appropriating money.

Referred to the Committee on Education.

Mr. Freeman introduced—

S.F. No. 914: A resolution memorializing the President and Congress of the United States to refrain from taxing the proceeds of state debt obligations.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Samuelson; Purfeerst; Chmielewski; Johnson, D.E. and Peterson, R. W. introduced—

S.F. No. 915: A bill for an act relating to human services; requiring counties to consult parents and other specified persons regarding individual service plans for persons with mental retardation or a related condition; prohibiting discharges from regional treatment centers over the objections of parents or other specified persons; requiring placement in a regional treatment center at the request of parents and other specified persons; requiring screening teams to consider the personal needs of clients and the quality, availability, and location of alternative services when evaluating the appropriateness of home and community-based services; amending Minnesota Statutes 1988, sections 253B.16; and 256B.092, subdivisions 1, 1b, 7, 8, and 9.

Referred to the Committee on Health and Human Services.

Messrs. Merriam, Solon, Marty and Ms. Reichgott introduced—

S.F. No. 916: A bill for an act relating to consumer protection; regulating landscape application contracts; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Luther introduced—

S.F. No. 917: A bill for an act relating to occupations and professions; regulating the practice of accountancy; creating standards of care; amending Minnesota Statutes 1988, sections 326.165; 326.20, subdivision 1; 326.211, subdivision 6; and 326.212, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Commerce.

Messrs. Solon; Dicklich; Johnson, D.J. and Gustafson introduced—

S.F. No. 918: A bill for an act relating to St. Louis county; requiring certain documents filed with the county recorder to include a legal description; proposing coding for new law in Minnesota Statutes, chapter 383C.

Referred to the Committee on Local and Urban Government.

Messrs. Samuelson; Johnson, D.E.; Chmielewski; Peterson, R.W. and Purfeerst introduced—

S.F. No. 919: A bill for an act relating to human services; establishing a human services delivery policy for the state of Minnesota; preserving regional treatment centers and formalizing their attachment to catchment areas; extending services of regional treatment centers to the community; monitoring the progress of deinstitutionalized citizens; establishing conditions for deinstitutionalization; requiring expedited development of pilot units



of state-operated community services; appropriating money; amending Minnesota Statutes 1988, sections 246.57, subdivision 1; 251.011, by adding a subdivision; 252.50; 253B.16; 253B.17, by adding a subdivision; and 253B.092, subdivisions 1, 1b, 7, 8, and 9; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Mrs. Brataas, Messrs. Johnson, D.J. and Moe, R.D. introduced—

S.F. No. 920: A bill for an act relating to taxation; permitting the city of Rochester to continue levying a general sales tax for flood control costs; amending Laws 1983, chapter 342, article 19, sections 4 and 5.

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 9, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## NINETEENTH DAY

St. Paul, Minnesota, Wednesday, March 8, 1989

The House of Representatives met on Wednesday, March 8, 1989, which was the Nineteenth Legislative Day of the Seventy-Sixth Session of the Minnesota State Legislature. The Senate did not meet on this date.

## TWENTIETH DAY

St. Paul, Minnesota, Thursday, March 9, 1989

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

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

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

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

Mmes. Adkins, Brataas, McQuaid, Messrs. Brandl, Gustafson, Luther and Moe, R.D. were excused from the Session of today. Mr. Storm was excused from the Session of today at 2:50 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 3, 1989

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. 28 and 171.

Sincerely,  
Rudy Perpich, Governor

March 8, 1989

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. 215.

Sincerely,  
Rudy Perpich, Governor

March 3, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
28		3	1136 hours March 3	March 3
171		4	0910 hours March 3	March 3

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. 204.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 6, 1989

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 300.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 8, 1989

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. 156: A bill for an act relating to gambling; authorizing the governor to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3.

Senate File No. 156 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 8, 1989

Mrs. Lantry moved that the Senate do not concur in the amendments by the House to S.F. No. 156, 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 adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 4: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 6, 1989

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 148, 321, 322, 343, 424, 444, 578, 450, 508 and 509.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 6, 1989

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 58, 512 and 553.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 8, 1989

**FIRST READING OF HOUSE BILLS**

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

H.F. No. 148: A bill for an act relating to local government; permitting the counties of Washington and Anoka to establish certain payment procedures.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 168, now on the Calendar.

H.F. No. 321: A bill for an act relating to consumer protection; regulating new motor vehicle sales; limiting a dealer's liability due to the manufacturer's failure to repair, refund, or replace nonconforming vehicles; amending Minnesota Statutes 1988, section 325F.665, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 465, now on General Orders.

H.F. No. 322: A bill for an act relating to consumer protection; regulating the sale of used motor vehicles; modifying certain definitions; amending Minnesota Statutes 1988, section 325F.662, subdivisions 1 and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 454, now on General Orders.

H.F. No. 343: A bill for an act relating to collection and dissemination of data; defining certain mineral data supplied to the commissioner of natural resources as nonpublic data; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

H.F. No. 424: A bill for an act relating to commerce; unclaimed property; providing for the ownership of metal dies and molds; amending Minnesota Statutes 1988, section 345.20, subdivision 1.

Referred to the Committee on Commerce.

H.F. No. 444: A bill for an act relating to data privacy; providing for access to private medical examiner data and other medical data by family members; amending Minnesota Statutes 1988, sections 13.42, subdivision 3; 13.83, subdivision 8; and 144.335, subdivision 1.

Referred to the Committee on Judiciary.

H.F. No. 578: A bill for an act relating to transportation; granting power to road authorities to mow or till rights-of-way of certain highways; amending Minnesota Statutes 1988, sections 160.232; and 160.27, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 450: A bill for an act relating to state lands; authorizing additions and deletions from certain state parks; authorizing nonpark use of certain state parks; authorizing sale and conveyance of certain state park lands; authorizing acquisition of certain land for road purposes; repealing Minnesota Statutes 1988, section 85.012, subdivision 39.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 508: A bill for an act relating to local government; permitting statutory cities to have seven member councils; amending Minnesota Statutes 1988, sections 412.02, subdivision 1, and by adding a subdivision;

412.021, subdivision 2; 412.191, subdivisions 1 and 2; 412.541, subdivision 4; 412.571, subdivisions 1 and 4; 412.581; and 412.631.

Referred to the Committee on Local and Urban Government.

H.F. No. 509: A bill for an act relating to the city of St. Peter; providing for a seven-member municipal hospital board and a nine-member economic development authority.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 414, now on General Orders.

H.F. No. 58: A bill for an act relating to family law; permitting child support obligors to withdraw from the automatic withholding program; eliminating the provision for expiration of the automatic withholding program; amending Minnesota Statutes 1988, section 518.613, subdivision 4.

Referred to the Committee on Health and Human Services.

H.F. No. 512: A bill for an act relating to local government; authorizing towns to require a bond or other security in establishing cartways; amending Minnesota Statutes 1988, section 164.08, subdivision 2.

Referred to the Committee on Local and Urban Government.

H.F. No. 553: A bill for an act relating to Olmsted county; exempting the county from operation of a public morgue.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 500.

## REPORTS OF COMMITTEES

Mr. Merriam 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. 316: A bill for an act relating to children; controlled substances; requiring reporting of newborns with signs of controlled substance exposure; limiting liability of medical personnel administering toxicology tests on newborns; requiring an education program to prevent harm to unborn children from prenatal exposure to controlled substances and alcohol; amending Minnesota Statutes 1988, section 626.556, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 121 and 626.

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

Pages 1 and 2, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 6 and 7

Page 1, line 8, delete "substances and alcohol;"

Page 1, line 10, delete "chapters 121 and" and insert "chapter"

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. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 681: A bill for an act relating to housing; changing terminology in the temporary housing demonstration program; extending the authorized duration of transitional housing; providing for an annual report to the legislature; amending Minnesota Statutes 1988, section 268.38, subdivisions 1, 2, 4, 8, 11, and 12.

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

Page 1, line 17, delete "18" and insert "24"

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

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

S.F. No. 655: A bill for an act relating to agriculture; appropriating money for promoting the use of ethanol.

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 and Rural Development, to which was referred

S.F. No. 594: A bill for an act relating to agriculture; maintaining uniformity with certain federal food law provisions; amending Minnesota Statutes 1988, sections 31.101; 31.102, subdivision 1; 31.103, subdivision 1; and 31.104.

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 1988, section 18B.06, is amended by adding a subdivision to read:

*Subd. 2a. [FIFRA REGULATIONS ARE ADOPTED.] Federal pesticide chemical regulations in effect under section 31.101, subdivision 3, are the pesticide chemical rules in the state. The rules may be amended by the commissioner.*

Sec. 2. Minnesota Statutes 1988, section 28A.04, subdivision 1, is amended to read:

Subdivision 1. [~~APPLICATION; DATE OF ISSUANCE LICENSE REQUIRED.~~] ~~No~~ (a) A person ~~shall~~ may not engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for ~~doing such~~ conducting the business.

(b) Applications for ~~such~~ a license shall be made to the commissioner ~~in such manner and time as required and upon such forms as provided by the commissioner and shall~~ in a time and manner and on forms prescribed by the commissioner. The application must contain the name and address of the applicant, address or description of each place of business, and the



nature of the business to be conducted at each place, and ~~such~~ other pertinent information ~~as the required by the commissioner may require.~~

*Subd. 1a. [ISSUANCE, VALIDITY, AND RENEWAL.] (a) A retail or wholesale food handler license shall be issued for the period July 1 to the following June 30 following and shall be renewed thereafter by the licensee on or before July 1 of each year. A license for a food broker or for a food processor, or manufacturer shall be issued for the period January 1 to December 31 following and shall be renewed thereafter by the licensee on or before January 1 of each year.*

*(b) A penalty for a late renewal shall be assessed in accordance with section 28A.08.*

*Subd. 1b. [PLAN REVIEW FEES.] (a) The commissioner may, by rule under section 16A.128, set plan review fees that will approximate the cost to the department of reviewing plans and specifications submitted by food handlers.*

*(b) A food handler plan review account is established in the state treasury. Fees paid to the commissioner for review plans under this subdivision must be deposited in the food handler plan review account.*

*(c) Money in the food handler plan review account is annually appropriated to the commissioner to pay the costs of the food handler plan and specifications review program.*

Sec. 3. Minnesota Statutes 1988, section 31.101, is amended to read:

**31.101 [FEDERAL REGULATIONS ADOPTED AS STATE RULES; HEARINGS; UNIFORMITY WITH FEDERAL LAW.]**

*Subdivision 1. [AUTHORITY FOR RULES.] (a) The authority to promulgate and amend commissioner may adopt rules for the efficient administration and enforcement of the Minnesota food law is vested in the commissioner and is in addition to authority granted in sections 31.10, 31.11, and 31.12. Such The rules when applicable shall conform, insofar as far as practicable and be consistent with state law, with those promulgated under the federal law.*

*(b) The commissioner may amend the federal regulations adopted as state rules under this section and sections 31.102, subdivision 1, 31.103, subdivision 1, and 31.104, subdivision 2, by adopting rules.*

*Subd. 2. [HEARINGS.] The commissioner shall conduct hearings authorized or required by law shall be conducted by the commissioner or such officer, agent, or employee as the commissioner may designate for the purpose.*

*Subd. 3. [FIFRA REGULATIONS.] Federal pesticide chemical regulations and amendments thereto in effect on April 1, 1987 1988, and adopted under authority of the Federal Insecticide, Fungicide and Rodenticide Act, as provided by United States Code, title 7, chapter 6, are the pesticide chemical rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.*

*Subd. 4. [FEDERAL FOOD ADDITIVE REGULATIONS.] Federal food additive regulations and amendments thereto in effect on April 1, 1987 1988, as provided by Code of Federal Regulations, title 21, parts 170 to 199, are the food additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative*

~~procedure act.~~

Subd. 5. [FEDERAL COLOR ADDITIVE REGULATIONS.] Federal color additive regulations ~~and amendments thereto~~ in effect on April 1, ~~1987~~ 1988, as provided by Code of Federal Regulations, title 21, parts 70 to 82, are the color additive rules in this state. ~~Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.~~

Subd. 6. [FEDERAL SPECIAL DIETARY USE REGULATIONS.] Federal special dietary use regulations ~~and amendments thereto~~ in effect on April 1, ~~1987~~ 1988, as provided by Code of Federal Regulations, title 21, parts 104 and 105, are the special dietary use rules in this state. ~~Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.~~

Subd. 7. [FAIR PACKAGING AND LABELING ACT REGULATIONS.] Federal regulations ~~and amendments thereto~~ in effect on April 1, ~~1987~~ 1988, adopted under the Fair Packaging and Labeling Act, as provided by United States Code, title 15, sections 1451 to 1461, are the rules in this state. ~~Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act; provided that The commissioner shall may not adopt amendments to such amend the rules or adopt other rules which are in a manner that is contrary to the labeling requirements for the net quantity of contents required pursuant to section 4 of the Fair Packaging and Labeling Act and the its regulations promulgated thereunder.~~

Subd. 8. [FOOD AND DRUG ACT REGULATIONS.] Applicable federal regulations including ~~recodification contained in the~~ Code of Federal Regulations, title 21, parts 0-1299, Food and Drugs, in effect on April 1, ~~1987~~ 1988, and not otherwise adopted ~~herein under this section~~, also are adopted as food rules of this state. ~~Such rules may be amended by the commissioner in accordance with the administrative procedure act.~~

Sec. 4. Minnesota Statutes 1988, section 31.102, subdivision 1, is amended to read:

Subdivision 1. [FEDERAL CONTAINER REGULATIONS ARE STATE RULES.] Federal definitions and standards of identity, quality, and fill of container ~~and amendments thereto~~, in effect on April 1, ~~1975~~ 1988, adopted under authority of the federal act, are the state rules for the definitions and standards of identity, quality, and fill of container in this state. ~~Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.~~

Sec. 5. Minnesota Statutes 1988, section 31.103, subdivision 1, is amended to read:

Subdivision 1. [CONFORMITY WITH FEDERAL FAIR PACKAGING AND LABELING ACT.] All Labels of consumer commodities shall conform with the requirements for the declaration of net quantity of contents of section 4 of the Fair Packaging and Labeling Act, † United States Code, title 15, ~~section sections 1451 et seq.) to 1461~~, and federal regulations ~~under those sections as state rules in effect on April 1, 1975 promulgated pursuant thereto~~, except to the extent that the commissioner shall exercise authority to amend such rules in accordance with the administrative procedure act under section 31.101, subdivision 7. Consumer commodities exempted from the requirements of section 4 of the Fair Packaging and

Labeling Act ~~shall also be~~ *are* exempt from this subdivision.

Sec. 6. Minnesota Statutes 1988, section 31.104, is amended to read:

31.104 [FOOD LABELING EXEMPTION RULES.]

*Subdivision 1. [EXEMPTIONS.] The commissioner shall promulgate adopt rules exempting to exempt food from any labeling requirement requirements if the food which is, in accordance with the practice of the trade, is to be processed, labeled, or repacked in substantial quantities at establishments other than those establishments where the food was originally processed or packed; on condition that such. The exemption only applies if the food is not adulterated or misbranded upon on removal from such processing, labeling or repacking establishment the original establishment where the food was processed, labeled, or repacked.*

*Subd. 2. [FEDERAL EXEMPTIONS.] Federal regulations in effect on April 1, 1975 under section 31.01 and adopted under authority of the federal act relating to such exemptions are effective in this state unless the commissioner shall exercise authority to amend such regulations adopts rules to deny the exemption. The commissioner also may promulgate amendments to existing rules concerning exemptions in accordance with the administrative procedure act.*

Sec. 7. Minnesota Statutes 1988, section 31.11, is amended to read:

31.11 [FOOD RULES.]

*Subdivision 1. [AUTHORITY.] For the purpose of preventing The commissioner of agriculture shall adopt rules relating to food to prevent fraud and deception in the manufacture, use, sale, and transportation of food, or for the purpose of protecting and preserving and to protect and preserve the public health; it shall also be the duty of the commissioner to make and publish uniform rules, not inconsistent with law, for carrying out and enforcing the provisions of laws now or hereafter enacted relating to food; which rules shall be made in the manner provided by law. Until such rules are made and published, the rules heretofore made by the commissioner shall remain in full force and effect, except as otherwise prescribed by law.*

*Subd. 2. [PENALTY FOR VIOLATION OF FOOD RULES.] Any A person is guilty of a misdemeanor who shall violates a provision of the rules or fails to comply with the rules relating to:*

*(1) the manufacture, use, sell sale, transport, offer or transportation of food;*

*(2) the offering of food for use, sale, or transportation; or have in possession*

*(3) the possessing of food with intent to use, sell, or transport the food; any article of food contrary to the provisions of any such rule, or who shall fail to comply with any such rule, shall be guilty of a misdemeanor."*

Amend the title as follows:

Page 1, line 4, after "sections" insert "18B.06, by adding a subdivision: 28A.04, subdivision 1:"

Page 1, line 5, delete "and" and before the period, insert "; and 31.11"

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

adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

S.F. No. 60: A bill for an act relating to water; recodifying, clarifying, and relocating provisions relating to water law; amending Minnesota Statutes 1988, sections 9.071; 16B.62, subdivision 1; 18.191; 18B.07, subdivision 6; 40A.13, subdivision 1; 41B.039, subdivision 3; 84.083, by adding subdivisions; 84.91, subdivision 4; 84.911, subdivisions 5 and 6; 84.95, subdivision 2; 85.33, subdivision 3; 86A.05, subdivision 10; 88.43, subdivision 2; 93.335, subdivision 1; 94.343, subdivision 4; 97A.015, subdivision 41; 97A.071, subdivision 4; 97A.101, subdivision 2; 115.097, subdivision 2; 144.95, subdivision 4; 156A.10, subdivision 2; 161.28, subdivision 1; 163.17; 272.02, subdivisions 1 and 6; 273.19, subdivision 5; 295.44, subdivision 1; 357.021, subdivision 2; 375.471; 383A.602, subdivision 5; 383A.604, subdivision 1; 394.25, subdivision 2; 459.20; 462.357, subdivision 1; 465.20; 469.141, subdivision 4; 469.174, subdivision 19; 471.345, subdivision 3; 471.591, subdivision 1; 471.98, subdivision 2; 473.191, subdivision 2; 609.68; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A; 97C; 156A; and 383B; proposing coding for new law as Minnesota Statutes, chapters 86B; 103A; 103B; 103C; 103D; 103E; 103F; and 103G; repealing Minnesota Statutes 1988, sections 40.01 to 40.45; 84.031; 84.032; and 84.158; 104.01 to 104.50; 105.37 to 105.81; 106A.005 to 106A.811; 110.13 to 110.72; 110B.01 to 110B.35; 112.34 to 112.89; 114.12 and 114.13; 114B.01 to 114B.07; 116C.41; 361.01 to 361.29; 378.01 to 378.57; 465.18; and 473.875 to 473.883.

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

Page 2, line 14, delete "*cross-section*" and insert "*cross section*"

Page 111, line 11, after "27" insert a comma

Page 111, line 16, delete "39" and insert "40"

Page 114, line 7, after "84" insert a comma

Page 115, line 33, after "20" insert a comma

Page 171, line 20, after "*in*" insert "*such*"

Page 171, line 30, before the first "*hearing*" insert "*a*"

Page 173, line 6, delete "*need and*"

Page 176, line 24, delete "*that*"

Page 176, line 25, before "*the*" insert "*that*"

Page 176, line 26, after "(2)" insert "*that*"

Page 177, line 7, after "*if*" insert "*the*"

Page 178, line 9, delete the comma and after "*agency*" insert a comma

Page 178, line 30, delete the second "*by*" and insert "*for*"

Page 178, line 33, after "*agency*" insert "*that is*"

Page 179, line 2, delete "PORTIONS" and insert "ASSESSMENT"

## PORTION"

Page 179, line 32, delete "*which*" and insert "*that*"

Page 179, line 33, delete everything after "*provided*"

Page 179, line 34, delete "*state*"

Page 180, line 8, delete "*appraisers*'"

Page 180, line 11, delete "*if*" and insert "*whether*"

Page 180, line 18, delete "*appraisers*'"

Page 180, line 20, delete "UPON" and insert "ON"

Page 180, line 26, delete "*is*" and insert "*are*"

Page 182, line 5, after "*to*" insert "*being given in*"

Page 183, line 25, delete "*that the benefits resulting from the project*" and insert "*result in benefits that*"

Page 183, line 28, delete "*for*" and insert "*authorize*" and after "*project*" insert "*to be constructed*"

Page 184, line 5, delete "*after the bids are received.*" and after "*bids*" insert "*received*"

Page 185, line 3, after "*and*" insert "*be*"

Page 185, line 26, delete "CONTROL OF" and insert "AUTHORITY OVER"

Page 186, line 1, after "*of*" insert "*the*"

Page 186, line 7, after "*managers*" insert a comma

Page 186, line 8, delete "*any*" and insert "*an authorized*"

Page 187, line 4, after "*an*" insert "*approved*"

Page 187, line 5, delete "*as found*"

Page 187, line 6, delete everything before "*with*"

Page 187, line 14, delete "*in*" and insert "*under*"

Page 187, line 33, after "84" insert a comma

Page 191, line 14, delete everything before "*once*" and insert "*valorem levy that can be levied only*"

Page 193, line 22, delete "*its*" and insert "*their*"

Page 193, line 33, after "*managers*" insert a comma

Page 194, line 35, delete "*by,*"

Page 195, line 6, delete "35" and insert "36"

Page 195, line 25, delete "*and*" and insert "*or*"

Page 196, line 14, delete the first "2" and insert "7"

Page 196, before line 25, insert:

"GENERAL PROVISIONS"

Page 197, line 29, delete the comma and delete "*height*" and insert "*level*"

Page 197, line 35, delete "height" and insert "level"

Page 198, line 30, delete "of" and insert "over"

Page 199, line 6, delete "of" and insert "over"

Page 199, line 34, delete "1a" and insert "2"

Page 203, line 34, after "and" insert "if"

Page 211, before line 33, insert:

"PETITIONS FOR DRAINAGE PROJECTS"

Page 212, line 12, after "but" insert "the petition" and after "owners" insert "of the parcel"

Page 214, line 26, delete "is" and insert "would be"

Page 215, line 16, delete "proceed" and insert "be conducted"

Page 216, line 14, delete the comma

Page 217, line 7, delete the second "the"

Page 217, line 8, after "construction" insert "of the"

Page 217, line 19, delete the first comma

Page 217, line 32, after the first "viewers" insert "are"

Page 218, line 9, after "area" insert "to be"

Page 218, after line 34, insert:

"Sec. 32. [103E.227] [IMPOUNDING AND DIVERSION OF DRAINAGE SYSTEM WATERS.]

*Subdivision 1. [PETITION.] (a) To conserve and make more adequate use of our water resources, a person, public or municipal corporation, governmental subdivision, the state or a department or agency of the state, the commissioner of natural resources, and the United States or any of its agencies, may petition for the installation of dams or other control works in drainage ditch systems to impound or divert waters for beneficial use. The petition must be directed to the drainage authority where the drainage system is located.*

*(b) The petition must contain the location of the installation, plans, and specifications for the proposed structure and a map of the areas likely to be affected by the impoundment or diversion.*

*(c) The petitioner shall agree to be responsible for the cost of installation and construction of the structure. [105.81]*

*(d) The petition must also be accompanied by a public waters work permit or a water use permit from the commissioner of natural resources if required under chapter 103G. [105.81]*

*Subd. 2. [BOND.] (a) Upon filing the petition, the petitioners shall file a bond as provided in section 27.*

*(b) A bond is not required if the petition is filed by the state, a state agency or department, the commissioner of natural resources, the United States or any of its agencies, or a municipality. [105.81]*

*Subd. 3. [PROCEDURE TO ESTABLISH PROJECT.] (a) After receiving the petition, bond, and permit, if required, the drainage authority must*

*appoint an engineer to investigate the effect of the proposed installation and file a report of findings.*

*(b) After filing of the engineer's report, notice must be given and a public hearing held as provided in section 40.*

*(c) If from the hearing it appears from the engineer's report and other evidence presented that the installation will be of a public or private benefit and that it will not impair the utility of the ditch or deprive affected land owners of its benefit, the drainage authority shall make an order modifying the drainage system and issue a permit authorizing its installation. [105.81]*

*Subd. 4. [FLOWAGE EASEMENTS REQUIRED.] Before installing or constructing an impoundment or diversion, the petitioner shall obtain rights-of-way and flowage easements from owners of land to be affected by it. [105.81]*

*Subd. 5. [ASSESSMENT OF MAINTENANCE AND REPAIR COSTS.] The order of the drainage authority modifying the drainage system must provide that construction and later maintenance and repairs of the drainage system modification and installation must be done by the petitioner without assessment of the cost to the property owners previously within the drainage system. [105.81]"*

Page 220, before line 19, insert:

“PRELIMINARY SURVEY AND HEARING”

Page 222, line 22, after “fall” insert “of the water”

Page 224, line 16, after “are” insert “determined”

Page 226, before line 35, insert:

“DETAILED SURVEY AND VIEWING”

Page 227, line 7, after the second “the” insert “detailed survey”

Page 227, line 8, delete “for”

Pages 228 and 229, delete section 43

Page 231, line 20, delete “reported” and insert “submitted”

Page 237, line 17, delete “disagreed” and insert “disputed”

Page 237, line 26, delete “AND FINAL”

Page 237, line 27, delete “PETITION NOTICE”

Page 237, line 28, delete “TO PROPERTY OWNERS”

Page 238, line 24, delete “1a” and insert “2”

Page 238, after line 29, insert:

“FINAL HEARING”

Page 238, line 30, after “HEARING” insert “NOTICE”

Page 242, before line 29, insert:

“REDETERMINATION OF BENEFITS”

Page 243, before line 28, insert:

“OUTLETS FOR DRAINAGE SYSTEMS”

Page 243, line 33, delete the comma

Page 244, line 6, delete “*of*” and insert “*having jurisdiction over*”

Page 244, line 35, after “*where*” insert “*the*”

Page 245, line 27, after “*by*” insert “*the*”

Page 246, line 11, delete the first comma

Page 246, line 31, after “*drainage*” insert “*system*”

Page 248, before line 14, insert:

“CONSTRUCTION OF DRAINAGE PROJECT”

Page 249, line 16, after “*pay*” insert “*the affected*”

Page 251, line 14, delete “*paper*” and insert “*newspaper*” in both places

Page 251, line 30, after “*of*” insert “*the bidders*”

Page 253, line 1, delete the first “*the*”

Page 254, line 2, delete “*the*”

Page 255, line 26, delete “CHANGING” and insert “CHARGING”

Page 255, line 29, delete “*its*” and insert “*their*”

Page 255, line 30, after “*time*” insert “*as stated*”

Page 259, line 4, delete everything after “*the*” and insert “*value of the certified work;*”

Page 259, line 6, after “*retained*” insert “*by the drainage authority*”

Page 259, line 12, delete “FOR” and insert “OF”

Page 259, line 18, after “*of*” insert “*publishing*” and delete “*by*” and insert a period

Page 259, delete line 19

Page 261, before line 12, insert:

“FUNDING, COLLECTION, AND PAYMENT  
OF DRAINAGE SYSTEM COSTS”

Page 261, line 22, delete “*under*” and insert “*as provided in*”

Page 266, line 19, after “*apportionment*” insert “*is*”

Page 266, line 31, delete “*on*”

Page 267, line 30, after “*bonds*” insert a comma

Page 267, line 31, delete “*exceeding*” and insert “*to exceed*” and after “*date*” insert “*of issue*”

Page 268, line 8, after “*bonds*” insert “*as provided*”

Page 268, line 36, delete everything after “*date*” and insert “*when the county notifies the definitive bondholders*”

Page 269, line 1, delete “*has*” and insert “*have*”

Page 273, line 18, delete “*county*”



Page 274, line 6, delete the comma and delete "*sign the endorsement*" and insert "*treasurer's signature*"

Page 274, line 13, before "ESTABLISHMENT" insert "EXAMINATION AND"

Page 274, line 15, delete "ESTABLISH" and insert "EXAMINE"

Page 274, line 18, before the second "*The*" insert:

"Subd. 2. [ESTABLISHMENT OF ACCOUNTS.]"

Page 274, line 21, delete "2" and insert "3"

Page 274, before line 27, insert:

"PROCEDURE TO REPAIR DRAINAGE SYSTEMS"

Page 277, line 7, delete "INSPECTOR" and insert "INSPECTION"

Page 278, line 3, after "*disaster*" insert "*as provided*" and delete "6" and insert "7"

Page 278, line 23, delete "*systems*" and insert "*system*"

Page 278, line 25, after the third "*the*" insert "*amount of the*"

Page 278, line 28, after the first "*the*" insert "*amount of the*"

Page 279, line 31, delete "ENGINEER AND" and insert "ENGINEER'S"

Page 280, line 30, after the first "*repair*" insert "*described*"

Page 282, line 3, after "*replacement*" insert "*of*"

Page 282, line 13, after the first "*repair*" insert "*proposed*"

Page 283, line 9, after "*installation*" insert "*be*"

Page 287, line 16, after "BENEFITS" insert "IN ANOKA COUNTY"

Page 287, before line 27, insert:

"CONSOLIDATION, DIVISION, AND ABANDONMENT OF  
DRAINAGE SYSTEMS"

Page 289, line 22, delete "*is*" and insert "*be*"

Page 291, line 26, after "*date*" insert "*must be*"

Renumber the sections of article 5 in sequence

Page 293, line 4, delete "*flood proofing*" and insert "*floodproofing*"

Page 293, line 7, delete "*to not prohibit but*" and insert "*not to prohibit but to*"

Page 293, line 30, delete everything before "*a*" and insert "*discharge floodwater and provide water storage during*"

Page 294, line 34, delete "*flood*" and insert "*floodwater*"

Page 295, line 1, delete "WATER BASIN" and insert "WATERBASIN" and delete "*Water basin*" and insert "*Waterbasin*"

Page 295, line 2, delete "12" and insert "2"

Page 297, delete line 15 and insert "*for collection by special tax levy with the county auditor of the county where the local governmental unit*"

*is located.*"

Page 297, line 16, delete everything before "*The*"

Page 297, line 32, delete "*floodplains*" and insert "*floodplain*"

Page 298, line 16, delete "*Amusement parks that exist*" and insert "*An amusement park that exists*"

Page 298, line 17, delete "*are*" and insert "*is*"

Page 299, line 5, delete "*floodplains*" and insert "*floodplain*"

Page 299, line 25, delete "*flood*"

Page 299, line 26, delete "*proofing*" and insert "*floodproofing*" and delete "*sanitary*" and insert "*sanitation*"

Page 299, line 28, delete "ONLY NEEDED" and insert "NEEDED ONLY"

Page 299, line 35, after "ORDINANCE" insert "ARE"

Page 300, line 18, delete "MEASURE"

Page 300, line 21, delete "*constructed*" and insert "*undertaken*"

Page 304, line 27, delete "*project*" and insert "*program*"

Page 304, line 34, after the second "*the*" insert "*United States*"

Page 305, line 11, delete "*rivers*" and insert "*rivers*'"

Page 307, line 21, delete "*flood plain*" and insert "*a floodplain*"

Page 308, line 11, after "OF" insert "COMMISSIONERS OF"

Page 308, line 15, delete everything after the first "*the*" and insert "*commissioners of health and of the*"

Page 308, line 27, delete "294.26" and insert "394.26"

Page 308, line 32, delete the comma

Page 308, line 36, delete "*subdivision 4*" and insert "*this section*"

Page 309, line 4, after "*costs*" insert "*for collection by special tax levy*" and delete the third "*of*" and insert a period

Page 309, line 5, delete everything before the second "*The*"

Page 310, line 33, after "*under*" insert "*section 28,*"

Page 312, line 22, delete "*the easement may not*" and insert "*restricted so as not to*"

Page 313, line 2, delete "*is*" and insert "*are*"

Page 313, line 24, delete "*shall further*" and insert "*furtherance of*"

Page 313, line 26, delete "*shall apply*" and insert "*application*"

Page 313, line 33, after "*land*" insert a comma

Page 314, line 23, delete "*commissioner*" and insert "*commissioners*"

Page 314, line 24, delete everything before "*and*" and insert "*development and of public service*"

Page 315, line 1, delete "*commissioner*" and insert "*commissioners*"

Page 315, line 2, delete "*the director*"

Page 315, line 4, delete everything after "*the*"

Page 315, line 5, delete everything before "*must*" and insert "*commissioners*"

Page 315, line 22, delete "*delete*" and insert "*exclude*"

Page 317, line 28, delete "RIVERS" and insert "RIVER"

Page 318, line 10, after the second "*the*" insert "*United States*"

Page 318, line 34, after "*commissioner*" insert "*of natural resources*"

Page 325, line 4, delete "*weeks*" and insert "*weeks*"

Page 329, line 3, delete "*weeks*" and insert "*weeks*"

Page 330, line 7, delete "*that*" and insert "*to which*"

Page 330, line 8, delete the comma

Page 330, line 12, delete the second comma

Page 330, line 36, delete "*Excessive soil loss*" and insert "*Excessive soil loss*"

Page 331, line 4, delete the first comma

Page 331, line 28, delete "USDA" and insert "*the United States*" and after "*Service*" insert "*and*"

Page 332, line 7, after the first "*limits*" insert a comma

Page 333, line 22, after "*landowner*" insert "*whose land is causing excessive soil loss*"

Page 333, line 25, before "*land*" insert "*a description of*"

Page 333, line 36, before "*The*" insert "*Representatives of*"

Page 334, line 2, after "*report*" insert "*required by paragraph (c)*"

Page 334, line 3, delete "*inspections*" and insert "*inspection*"

Page 334, line 25, delete the comma

Page 334, line 29, delete the comma

Page 335, lines 5 and 7, after "*percent*" insert "*of the*"

Page 336, line 3, delete "*when*" and insert "*after which*" and delete "*not*" and insert "*no longer*"

Page 336, line 24, after "*land*" insert "*specified*"

Page 338, line 4, delete "*only eligible*" and insert "*eligible only*"

Page 338, line 30, delete "*purposes*" and insert "*purpose*"

Page 339, line 28, delete "*groundwater*" and insert "*ground water*"

Page 344, line 6, delete the semicolon

Page 344, line 7, delete everything before the period

Page 345, line 3, after "FEDERAL" insert "AND STATE"

Page 345, line 11, delete "*waterbank*" and insert "*water bank*"

- Page 346, line 5, after “*enter*” insert “*agreements for*”
- Page 350, line 14, delete “*those*” and insert “*these*”
- Page 350, line 30, delete everything after the period
- Page 350, line 31, delete “*completed by July 1, 1988.*”
- Page 350, line 32, delete the semicolon
- Page 350, line 33, delete “ELIGIBILITY”
- Page 351, line 31, delete “11” and insert “12”
- Page 352, line 21, delete “*following*”
- Page 355, line 31, delete “*that*”
- Page 355, line 32, delete everything before the period
- Page 357, line 19, after “*areas*” insert “*to*”
- Page 357, line 33, delete “*moneys*” and insert “*funds*”
- Page 360, line 2, delete everything after “*of*” and insert “*waterbasins, watercourses,*”
- Page 360, line 3, delete the first “*and*” and after “*waters*” insert a comma
- Page 361, line 2, delete the second “*natural*”
- Page 361, line 6, delete “*includes*”
- Page 361, line 15, after “*banks*” insert a comma
- Page 361, line 16, after “*water*” insert a comma
- Page 362, line 13, delete “TO” and insert “IN ENFORCEMENT.]”
- Page 362, line 14, delete everything before “*Personnel*”
- Page 362, line 23, delete “APPEARANCE FOR” and insert “REPRESENTATION OF”
- Page 362, line 24, after “COMMISSIONER” insert “TO APPEAR”
- Page 363, line 13, after the second comma, insert “*and*”
- Page 363, line 20, after “PROPERTY” insert “INCLUDING”
- Page 368, lines 18 and 22, delete “, *servant,*”
- Page 368, line 33, delete “TO COMPLY” and insert “FOR COMPLIANCE”
- Page 369, lines 6 and 9, delete “*various*”
- Page 369, line 11, delete “*phone*” and insert “*telephone*”
- Page 369, line 12, delete “, *servant,*”
- Page 371, lines 9, 12, and 14, delete “*flood plain*” and insert “*floodplain*”
- Page 371, line 17, after “*improvements*” insert a comma
- Page 372, line 21, delete “*dams*” and insert “*dam*”
- Page 372, delete line 22 and insert “*reservoir, control structure, or waterway obstruction in a*”

Page 372, line 25, delete "INVESTIGATIONS" and insert "INVESTIGATION"

Page 373, line 13, delete "who" and insert "to whom" and after "addressed" delete "to"

Page 373, line 24, after "establishment" insert a comma

Page 373, line 35, delete "a" and insert "per"

Page 374, line 32, after "determination" insert "is made"

Page 374, line 36, after "diversion" insert "is given"

Page 375, line 8, after "determination" insert "is made"

Page 375, line 12, after "use" insert "is given"

Page 376, line 22, delete "of" and insert "from"

Page 376, line 23, delete "the"

Page 376, line 24, delete "of" and insert "by"

Page 378, line 21, after the first comma, insert "a"

Page 379, line 10, delete "is" and insert "are"

Page 379, delete line 22 and insert "Minnesota Lakes," published in 1968."

Page 380, line 4, delete "to" and insert "for"

Page 380, line 28, delete "car" and insert "vehicle"

Page 381, line 3, after "for" insert "a"

Page 381, line 14, delete everything after "OF" and insert "PERMIT FOR APPROPRIATION FROM"

Page 381, line 17, after "conservation" insert "district's"

Page 381, line 26, after "appropriation" insert "of water"

Page 381, line 30, delete the comma

Page 383, line 1, delete "is" and insert "are"

Page 383, line 9, delete "one"

Page 383, line 10, delete "this"

Page 383, line 18, delete "only"

Page 383, line 19, after "groundwater" insert "only"

Page 384, line 5, delete the first comma and insert "and" and after "application" delete the comma

Page 384, line 12, after "copper-nickel" insert a comma

Page 384, line 21, delete "that"

Page 385, lines 2 and 34, delete "servants" and insert "employees"

Page 385, line 21, delete the comma

Page 385, line 27, before "permit" insert "the"

Page 385, line 30, delete "interests" and insert "interest"

- Page 386, line 6, delete “*and*” and insert “*or*”
- Page 386, line 7, delete “*may immediately suspend*” and insert “*immediately suspends*”
- Page 386, line 9, after “*emergency*” insert a comma
- Page 387, line 20, delete the first comma
- Page 388, line 17, delete the comma in both places
- Page 388, line 21, delete “*on*”
- Page 388, line 30, delete “*with*” and insert “*within*”
- Page 389, line 30, delete “*show*”
- Page 391, line 2, after “*municipality*” insert a comma
- Page 391, line 11, after “*commissioner*” delete the comma
- Page 391, lines 23 and 32, after the comma, insert “*but*”
- Page 391, line 25, delete the comma
- Page 391, line 33, delete the comma
- Page 392, line 30, delete everything after “*that*” and insert “*an application*”
- Page 392, line 31, delete “*applicant*”
- Page 393, line 5, delete “*orders*” and insert “*an order*”
- Page 393, line 29, delete “*on*” and insert “*in*”
- Page 395, line 25, delete “*Application*” and insert “*Applications*”
- Page 399, line 21, delete the comma
- Page 399, line 23, delete “*said*” and insert “*the*”
- Page 400, line 5, after “*hearings*” insert a comma
- Page 400, line 9, after “*the*” insert “*established*” and after “*plan*” delete “*established*”
- Page 401, line 6, after the comma, insert “*in which case*”
- Page 401, line 34, delete “*government*” and insert “*governmental*”
- Page 402, line 32, after “*scenic*” insert “*value*” and delete “*purpose*” and insert “*purposes*”
- Page 404, line 25, delete “*Minnesota*”
- Page 406, line 9, before “*permit*” insert “*a*”
- Page 406, line 14, before “*Rules*” insert “*The commissioner shall adopt*” and before “*must*” insert “*which*”
- Page 406, line 21, after “*OF*” insert “*AUTHORITY OVER*”
- Page 407, line 12, after “*OF*” insert “*OWNERSHIP OF*”
- Page 407, line 35, after “*of*” insert “*water*”
- Page 408, line 3, after “*elevation*” insert “*of*”
- Page 409, line 27, after “*construct*” insert a comma

Page 410, line 7, after "*legislature*" insert "*with regard to control structures or water levels*"

Page 410, line 30, delete "*were*" and insert "*was*"

Page 410, line 31, after "*for*" insert "*a*"

Page 411, line 6, after "*pay*" insert "*to the state*"

Page 411, line 7, delete "*to the state*"

Page 411, line 8, after "*must*" insert "*promptly*"

Page 411, line 9, delete "*promptly*"

Page 412, delete lines 1 and 2 and insert:

"(5) *discontinuance of regulation of water levels through deterioration or removal of the dam would be*"

Page 412, line 16, delete the third "*the*"

Page 414, line 20, delete "*is*" and insert "*are*"

Page 415, line 13, after "*state*" insert a comma

Page 416, line 5, after "*52*" insert a comma

Page 416, line 9, after "*easement*" insert a comma

Page 416, line 11, after "*determining*" insert "*the*"

Page 416, line 23, before the period, insert "*for approval*"

Page 416, line 25, after "*meeting*" insert "*on the petition*"

Page 418, line 1, delete "*and orders*"

Page 418, line 12, delete "*order*" and insert "*rules*"

Page 418, line 28, delete "*, orders*"

Page 418, line 32, delete "*, by September 1, 1988,*"

Page 418, line 35, delete "*ice*" and insert "*surface*"

Page 420, line 30, delete the first "*of*"

Page 422, line 10, delete "*down*" and insert "*downed*"

Page 422, lines 13 and 24, delete "*105.471*" and insert "*105.475*"

Page 427, line 17, delete "*58*" and insert "*57*"

Page 428, line 2, delete the comma and delete "*provision*" and insert "*provisions*" and delete "*1*" and insert "*7*"

Page 428, line 3, delete "*3*" and insert "*9*"

Page 429, line 4, delete "*1 to 3*" and insert "*7 to 9*"

Page 429, line 11, delete "*upon*"

Page 430, line 3, delete "*, may*" and after "*answer*" insert "*may*"

Page 430, line 4, delete "*another or different name*" and after "*water*" insert "*a different name*"

Page 430, line 5, delete "*asked for*" and insert "*requested*"

Page 435, line 14, delete "*3*" and strike the comma

- Page 435, line 15, strike “subdivision 2,” and after “5” delete the comma
- Page 436, line 25, strike “surface water management” and insert “watershed”
- Page 438, line 2, delete “ground water” and insert “groundwater”
- Page 440, line 8, strike “21” and insert “24”
- Page 442, line 18, delete “14” and insert “18”
- Page 451, line 4, strike “ground water” and insert “groundwater”
- Page 451, line 5, strike “flood plains” and insert “floodplains”
- Page 455, line 30, strike “9” and insert “13”
- Page 462, line 23, after “1973” insert a comma
- Page 464, line 34, before “speed” insert “the”
- Page 466, line 23, delete “4” and insert “3”
- Page 468, line 28, delete the third comma
- Page 469, line 12, delete the comma
- Page 470, line 26, delete the comma
- Page 472, line 15, delete “18” and insert “19”
- Page 473, line 5, after “question” insert “of”
- Page 476, line 18, delete “paragraphs” and insert “paragraph”
- Page 477, line 1, delete “sections 14.01 to 14.70” and insert “chapter 14”
- Page 478, line 16, delete “4” and insert “6”
- Page 479, line 2, after “and” insert a comma
- Page 479, line 21, delete the third comma
- Page 481, line 10, delete “attorney’s” and insert “attorney”
- Page 483, line 23, after “commissioner” insert a comma
- Page 486, line 27, delete “86B.431” and insert “86B.501”
- Page 487, line 8, delete “86B.435” and insert “86B.505”
- Page 487, line 33, delete “86B.441” and insert “86B.511”
- Page 488, line 2, delete “86B.445” and insert “86B.515”
- Page 488, line 16, delete “86B.451” and insert “86B.521”
- Page 489, line 18, delete “86B.455” and insert “86B.525”
- Page 489, line 22, delete “U.S.” and insert “United States”
- Page 489, line 24, delete “86B.461” and insert “86B.531”
- Page 489, line 32, delete “Such extinguisher” and insert “The extinguishers”
- Page 490, line 6, delete “86B.465” and insert “86B.535”
- Page 490, line 21, delete “86B.501” and insert “86B.601”
- Page 490, line 35, delete “three inch” and insert “three-inch”



Page 491, line 34, delete "86B.601" and insert "86B.701"

Page 492, line 9, after "for" insert "the"

Page 493, line 9, after "county" insert a comma

Page 493, line 25, delete "86B.605" and insert "86B.705"

Page 494, line 11, delete "of court"

Page 494, line 21, delete "86B.701" and insert "86B.801"

Page 494, line 33, delete "86B.705" and insert "86B.805"

Page 495, line 12, delete "86B.711" and insert "86B.811"

Page 495, line 33, delete "86B.715" and insert "86B.815"

Page 496, after line 6, insert:

"Sec. 42. [EFFECTIVE DATE.]

*Article 9 is effective January 1, 1990."*

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. 778: A bill for an act relating to human services; authorizing general assistance medical care payments for patients in facilities determined to be institutions for mental diseases; creating an exception to negotiated rate facility limits for institutions for mental diseases.

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

Page 1, line 11, after "CARE" insert "AND MINNESOTA SUPPLEMENTAL AID"

Page 1, line 12, after "care" insert "and Minnesota supplemental aid"

Page 1, line 22, delete "payments for case management services,"

Page 1, delete line 23

Page 1, line 24, delete "serious and persistent mental illness" and insert "the following services for a person"

Page 2, line 2, after "diseases" insert ":

*(1) case management services and psychological services for a person with serious and persistent mental illness; and*

*(2) medical supplies"*

Page 2, lines 6 and 16, delete "board and" and insert "boarding"

Page 2, line 11, delete "general assistance medical care"

Page 2, after line 20, insert:

"Sec. 2. [CARRYOVER OF APPROPRIATIONS FOR THE PREAMISSION SCREENING AND ALTERNATIVE CARE GRANTS PROGRAM.]

*Any balance remaining at the end of the fiscal year ending June 30,*

1989, in the appropriations for the preadmission screening and alternative care grants program in Laws 1987, chapter 403, article 1, section 2, subdivision 6, paragraph (c), and Laws 1988, chapter 689, article 1, section 2, does not cancel and is available for the fiscal year ending June 30, 1990. In order to prevent closure of client cases or limits on the intake of new cases, any money carried forward under this section, and any appropriations made for the biennium ending June 30, 1991, may be used to reimburse counties for expenditures made by counties for the preadmission screening and alternative care grant program during previous fiscal years. The appropriation for the fiscal year ending June 30, 1990, does not cancel and is available for the second year of the biennium. If money appropriated the first year is inadequate to serve all eligible clients, the second year's appropriation is available with the approval of the governor after consulting with the legislative advisory commission."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, before the period, insert "; providing for carryover of appropriations for the preadmission screening and alternative care grants program"

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. 775: A bill for an act relating to workers' compensation; requiring a report on recodification and simplification of the workers' compensation law; appropriating money.

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. 312: A bill for an act relating to employment; providing for employee review of personnel records; regulating use of personnel records; requiring removal or correction of false information; limiting records of nonemployment activities; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Delete everything after the enacting clause and insert:

"Section 1. [181.960] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] For purposes of sections 1 to 8, the following terms have the meanings given in this section.*

*Subd. 2. [EMPLOYEE.] "Employee" means a person who performs services for hire for an employer, provided that the services have been performed predominately within the state for an average of 20 or more hours per week over the last six months or a probationary or mutually agreed upon employment period not to exceed 12 months, whichever is*

longer. The term includes any person who has been separated from employment for less than six months. The term does not include an independent contractor.

Subd. 3. [EMPLOYER.] "Employer" means a person who has 20 or more employees. Employer does not include a state agency, statewide system, political subdivision, or advisory board or commission that is subject to chapter 13.

Subd. 4. [PERSONNEL RECORD.] "Personnel record," to the extent maintained by an employer, means collectively: any application for employment; wage or salary history; notices of commendation, warning, or discipline; authorization for a deduction or withholding of pay; fringe benefit information; leave records; and employment history with the employer, including salary history, job titles, dates of changes, attendance records, performance evaluations, and retirement record. The term does not include:

(1) written references respecting the employee, including letters of reference supplied to an employer by another person;

(2) information relating to the investigation of criminal offenses;

(3) education records, pursuant to section 513(a) of title 5 of the Family Educational Rights and Privacy Act of 1974, United States Code, title 20, section 1232g, that are maintained by an educational institution and directly related to a student;

(4) results of employer testing, except that the employee may see a cumulative total test score for a section of the test or for the entire test;

(5) information relating to the employer's salary system and staff planning, including comments, judgments, recommendations, or ratings concerning expansion, downsizing, reorganization, job restructuring, future compensation plans, promotion plans, and job assignments;

(6) written comments or data of a personal nature about a person other than the employee, if disclosure of the information would constitute an intrusion upon the other person's privacy;

(7) information kept by the employee's supervisor or an executive, administrative, or professional employee, provided such information has been kept in the possession of the maker of the record;

(8) privileged information or information that would be otherwise not clearly discoverable in a workers' compensation, grievance arbitration, administrative, judicial, or quasi-judicial proceeding;

(9) any portion of a written statement authored by a co-worker of the employee that concerns the job performance or job-related misconduct of the employee that discloses the identity of the co-worker by name, inference, or otherwise; and

(10) medical reports and records, including reports and records that would ordinarily be available to the employee from a health care services provider pursuant to section 144.335.

## Sec. 2. [181.961] [REVIEW OF PERSONNEL RECORD BY EMPLOYEE.]

Subdivision 1. [RIGHT TO REVIEW; FREQUENCY.] Upon written request by an employee, the employer shall provide the employee with an opportunity to review the employee's personnel record. The employee's

*request must state the reason for the review, and must be made in good faith. An employer is not required to provide an employee with an opportunity to review the employee's personnel record if the employee has reviewed the personnel record during the previous six months.*

*Subd. 2. [TIME; LOCATION; CONDITION.] The employer shall comply with a written request pursuant to subdivision 1 no later than seven working days after receipt of the request. The personnel record or accurate copy thereof must be made available for review by the employee during the employer's normal hours of operation at the employee's place of employment or other reasonably nearby location, but need not be made available during the employee's working hours. The employer may require that the review be made in the presence of the employer or the employer's designee.*

**Sec. 3. [181.962] [REMOVAL OR REVISION OF INFORMATION.]**

*Subdivision 1. [AGREEMENT; FAILURE TO AGREE; COPY; POSITION STATEMENT.] (a) If an employee disputes specific information contained in the employee's personnel record, the employer and the employee may agree to remove or revise the disputed information. If an agreement is not reached:*

*(1) the employer shall provide, upon the written request of the employee, a copy of the disputed information, and may charge a fee for the copy not to exceed the actual cost of making and compiling the copy; and*

*(2) the employee may submit a written statement specifically identifying the disputed information and explaining the employee's position.*

*(b) The employee's position statement may not exceed five written pages. The position statement must be included along with the disputed information for as long as that information is maintained in the employee's personnel record. A copy of the position statement must also be provided to any other person who thereafter receives a copy of the disputed information from the employer.*

*Subd. 2. [DEFAMATION ACTION PROHIBITED.] No communication of information contained in an employee's personnel record that is disputed pursuant to subdivision 1 may be made the subject of any action for libel, slander, or defamation, unless an agreement is not reached between the employer and the employee to remove or revise the disputed information and the employer refuses or negligently fails to include the employee's position statement along with the disputed information or thereafter provide a copy of the statement to other persons as required under subdivision 1.*

**Sec. 4. [181.963] [RECORD OF NONEMPLOYMENT ACTIVITIES PROHIBITED.]**

*An employer may not produce or maintain a record relating to an employee's associations, political activities, publications, or communications of nonemployment activities, unless the record (1) bears a reasonable relationship to the employee's qualification for employment, transfer, promotion, or continued employment with the company, or (2) serves any other legitimate business need of the employer.*

**Sec. 5. [181.964] [USE OF OMITTED PERSONNEL RECORD.]**

*Information properly belonging in an employee's personnel record that was omitted from the personnel record provided by an employer to an*

*employee for review pursuant to section 2 may be used by the employer in an administrative, judicial, or quasi-judicial proceeding, provided that the employee has been given a reasonable opportunity to review the omitted information prior to its use.*

**Sec. 6. [181.965] [RETALIATION PROHIBITED.]**

*An employer may not retaliate against an employee for asserting rights or remedies provided in sections 1 to 7.*

**Sec. 7. [181.966] [REMEDIES.]**

*Subdivision 1. [GENERAL.] In addition to other remedies provided by law, if an employer violates a provision of sections 1 to 6, the employee may bring a civil action to compel compliance and for the following relief:*

*(1) for a violation of sections 1 to 5, actual damages only, plus costs; and*

*(2) for a violation of section 6, actual damages, back pay, and reinstatement or other make-whole, equitable relief, plus reasonable attorney fees if the court explicitly finds that the employer willfully and knowingly violated that section.*

*Subd. 2. [LIMITATIONS PERIOD.] Any civil action maintained by the employee under this section must be commenced within six months of the alleged violation.*

**Sec. 8. [181.967] [ADDITIONAL RIGHT OF ACCESS TO RECORDS.]**

*Sections 1 to 7 do not prevent an employer from providing additional rights to employees and do not diminish a right of access to records under chapter 13."*

Delete the title and insert:

"A bill for an act relating to employment; providing for review of an employee's personnel record; providing for removal or revision of disputed information contained in an employee's personnel record; limiting records of nonemployment activities; regulating use of omitted information; proposing coding for new law in Minnesota Statutes, chapter 181."

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 478: A bill for an act relating to education; providing for donations to the permanent school fund; amending Minnesota Statutes 1988, sections 84.085 and 124.08.

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

Page 1, line 20, delete "*permanent school fund*" and insert "*state*" and after "*property*" insert "*, be classified as school trust land as defined in section 92.025,*" and delete "*shall*"

Page 2, line 6, delete "*including*" and insert "*other than*"

Page 2, line 8, delete "*prudently maximize the*" and insert "*obtain fair market*" and delete "*of*" and insert "*for*"

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. 273: A bill for an act relating to education; establishing requirements for membership on an education district board; amending Minnesota Statutes 1988, section 122.92.

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. 699: A bill for an act relating to alcoholic beverages; authorizing Cook county to issue an off-sale liquor license.

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

Page 1, line 9, after "*township*" insert "*with the approval of the commissioner of public safety*"

Page 1, line 14, after "*and*" insert "*the town board of Lutsen and*"

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. 917: A bill for an act relating to occupations and professions; regulating the practice of accountancy; creating standards of care; amending Minnesota Statutes 1988, sections 326.165; 326.20, subdivision 1; 326.211, subdivision 6; and 326.212, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Page 2, line 31, delete "*and*" and insert "*or*" and delete "*also*"

Page 3, line 9, after "*without*" insert "*necessarily*"

Page 3, line 13, delete "*limited*"

Page 3, line 18, delete "*and are limited in*" and insert a period

Page 3, delete lines 19 and 20

Page 5, line 31, delete "*A*"

Page 5, delete lines 32 to 35

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 358: A bill for an act relating to liquor; license eligibility; places and times of sale; sampling; amending Minnesota Statutes 1988, sections 340A.402; 340A.405, subdivision 1; 340A.504, subdivisions 2 and 4; and 340A.510.

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 1988, section 340A.402, is amended to read:

340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

(1) a person not a citizen of the United States or a resident alien;

(2) a person under 21 years of age;

~~(3) a person who within five years of the license application has been convicted of a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution, of intoxicating or nonintoxicating malt liquors;~~

~~(4) a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; or~~

~~(5) (4) a person not of good moral character and repute.~~

*In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.*

Sec. 2. Minnesota Statutes 1988, section 340A.504, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 a.m. and 8:00 a.m. on the days of ~~Tuesday~~ Monday through Saturday;

(2) ~~between 12:00 midnight and 8:00 a.m. on Mondays;~~

~~(3) after 1:00 a.m. on Sundays, except as provided by subdivision 3;~~

~~(4) (3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except as provided by subdivision 3.~~

Sec. 3. Minnesota Statutes 1988, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon *on Sundays* and ~~12:00 midnight on Sundays~~ *1:00 a.m. on Mondays.*

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and ~~12:00 midnight on Sundays~~ 1:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota clean air act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed \$200.

(d) A municipality may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the municipality voting on the question at a general or special election.

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the metropolitan airports commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor on Sunday must obtain a Sunday license from the commissioner at an annual fee of \$50, plus \$5 for each duplicate.

Sec. 4. Minnesota Statutes 1988, section 340A.504, subdivision 4, is amended to read:

Subd. 4. [INTOXICATING LIQUOR; OFF-SALE.] No sale of intoxicating liquor may be made by an off-sale licensee:

(1) on Sundays;

(2) before 8:00 a.m. on Monday through Saturday;

(3) after 10:00 p.m. on Monday through Saturday at an establishment located in a city other than a city of the first class or within a city located within 15 miles of a city of the first class in the same county;

(4) after 8:00 p.m. on Monday through Thursday and after 10:00 p.m. on Friday and Saturday at an establishment located in a city of the first class or within a city located within 15 miles of a city of the first class in the same county, provided that an establishment may sell intoxicating liquor until 10:00 p.m. on December 31 and July 3, and on the day preceding Thanksgiving day, unless otherwise prohibited under clause (1);

(5) on New Years Day, January 1;

(6) ~~on Independence Day, July 4;~~

~~(7) on Thanksgiving Day;~~

~~(8) (7) on Christmas Day, December 25; or~~

~~(9) (8) after 8:00 p.m. on Christmas Eve, December 24.~~

Sec. 5. Minnesota Statutes 1988, section 340A.510, is amended to read:  
340A.510 [MALT LIQUOR AND WINE SAMPLES.]

Off-sale licenses and municipal liquor stores may provide samples of *malt liquor*, wine, liqueurs, and cordials which the licensee or municipal liquor store currently has in stock and is offering for sale to the general



public without obtaining an additional license, provided the *malt liquor*, wine, liqueur, and cordial samples are dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale in a quantity less than *100 milliliters of malt liquor per variety per customer*; 50 milliliters of wine per variety per customer, and 25 milliliters of liqueur or cordial per variety per customer.”

Delete the title and insert:

“A bill for an act relating to liquor; clarifying license eligibility; changing the time of sale on certain holidays; allowing for the dispensing of samples of malt liquor; amending Minnesota Statutes 1988, sections 340A.402; 340A.504, subdivisions 2, 3, and 4; and 340A.510.”

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. 784: A bill for an act relating to commerce; prohibiting car rental companies from holding renters liable for damages, except under certain circumstances; 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, after line 6, insert:

“Section 1. Minnesota Statutes 1988, section 65B.49, subdivision 5a, is amended to read:

Subd. 5a. [RENTAL VEHICLES.] (a) Every plan of reparation security insuring a natural person as named insured, covering private passenger vehicles as defined under section 65B.001, subdivision 3, must provide that all of the obligation for damage and loss of use to a rented vehicle would be covered by the property damage liability portion of the plan. The obligation of the plan must not be contingent on fault or negligence. In all cases where the plan's property damage liability coverage is less than \$25,000, the coverage available under the subdivision must be \$25,000. Other than as described in this paragraph, nothing in this section amends or alters the provisions of the plan of reparation security as to primacy of the coverages in this section.

(b) A vehicle is rented for purposes of this subdivision if the rate for the use of the vehicle is determined on a weekly or daily basis. A vehicle is not rented for purposes of this subdivision if the rate for the vehicle's use is determined on a monthly or longer period.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to rental vehicles and that the insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more vehicles covered by a plan or plans of reparation security containing the rented motor vehicle coverage required under paragraph (a), the insured may select the plan the insured wishes to collect from and that plan is entitled to a pro rata contribution from the other plan or plans based upon the property damage limits of liability. If the person renting the motor vehicle is also covered by the

person's employer's insurance policy or the employer's automobile self-insurance plan, the reparation obligor under the employer's policy or self-insurance plan has primary responsibility to pay claims arising from use of the rented vehicle.

(e) A notice advising the insured of rental vehicle coverage must be given by the reparation obligor to each current insured with the first renewal notice after January 1, 1989. The notice must be approved by the commissioner of commerce. The commissioner may specify the form of the notice.

~~(f) When a motor vehicle is rented or leased in this state on a weekly or daily basis, there must be attached to the rental contract a separate form containing a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten, which states:~~

~~Under Minnesota law, a personal automobile insurance policy issued in Minnesota must cover the rental of this motor vehicle against damage to the vehicle and against loss of use of the vehicle. Therefore, purchase of any collision damage waiver or similar insurance affected in this rental contract is not necessary if your policy was issued in Minnesota.~~

~~No collision damage waiver or other insurance offered as part of or in conjunction with a rental of a motor vehicle may be sold unless the person renting the vehicle provides a written acknowledgment that the above consumer protection notice has been read and understood.~~

(g) When damage to a rented vehicle is covered by a plan of reparation security as provided under paragraph (a), the rental contract must state that payment by the reparation obligor within the time limits of section 72A.201 is acceptable, and prior payment by the renter is not required.

~~(h)~~ (g) To be compensated for the loss of use of a damaged rented motor vehicle, the car rental company must prove:

- (1) that had the vehicle been available, it would have been rented; and
- (2) that no other vehicle was available for rental in place of the damaged vehicle.

The standard of proof set forth in this paragraph does not limit the responsibility of a reparation obligor to provide an insured with coverage for any loss of use for which the reparation obligor is otherwise responsible. A car rental company may be compensated for loss of use of a damaged rental motor vehicle only for the period when the damaged car actually would have been rented."

Page 1, lines 8 and 9, delete "1 and 2" and insert "2 and 3"

Page 2, line 21, delete "illegally" and insert "legally"

Page 3, line 5, after "form" insert ", including a collision damage waiver or other insurance,"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1988, section 65B.49, subdivision 5a;"

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

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

S.F. No. 737: A bill for an act relating to taxation; income; providing for allocation and apportionment of income derived by certain corporations from material value added to agricultural products by processing, packaging, or other high technology procedures; amending Minnesota Statutes 1988, section 290.17, by adding a subdivision.

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. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 654: A bill for an act relating to county and district agricultural societies; appropriating money.

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

Page 1, line 7, delete "\$ . . . . ." and insert "\$722,000"

Page 1, line 8, delete "as supplemental funding"

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. 428: A bill for an act relating to elections; authorizing the distribution of campaign material under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 211B.

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. 43 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.
43	88				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 43 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 43 and insert the language after the enacting clause of S.F. No. 88, the first engrossment; further, delete the title of H.F. No. 43 and insert the title of S.F. No. 88, the first engrossment.

And when so amended H.F. No. 43 will be identical to S.F. No. 88, and further recommends that H.F. No. 43 be given its second reading and substituted for S.F. No. 88, 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. 323 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.
323	495				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 323 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 323 and insert the language after the enacting clause of S.F. No. 495, the first engrossment; further, delete the title of H.F. No. 323 and insert the title of S.F. No. 495, the first engrossment.

And when so amended H.F. No. 323 will be identical to S.F. No. 495, and further recommends that H.F. No. 323 be given its second reading and substituted for S.F. No. 495, 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. 387 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.
387	401				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 387 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 387 and insert the language after the enacting clause of S.F. No. 401; further, delete the title of H.F. No. 387 and insert the title of S.F. No. 401.

And when so amended H.F. No. 387 will be identical to S.F. No. 401, and further recommends that H.F. No. 387 be given its second reading and substituted for S.F. No. 401, 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. 85 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.
85			103		

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. 242 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.
242			100		

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.

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

S.F. No. 644: A bill for an act relating to medical assistance for needy persons; proposing changes to the method for calculating a nursing home's property-related payment rate upon refinancing; amending Minnesota Statutes 1988, section 256B.431, subdivisions 3f and 3g.

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

Page 3, strike lines 1 to 6

Page 3, line 23, after "limit" insert " *, divided by their capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c), for the preceding reporting year.*"

Page 4, line 24, after "limitation" insert "*on historical cost of capital assets plus issuance costs as limited*"

Page 5, line 2, after "under" insert "*Minnesota Rules, part 9549.0060, subpart 11, as modified by*"

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. 150: A bill for an act relating to gambling; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law as Minnesota Statutes, chapter 349A.

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

Page 1, after line 12, insert:

“ARTICLE 1”

Page 2, line 25, delete “or”

Page 2, after line 25, insert:

“(3) conviction of any felony or a gambling-related offense; or”

Page 2, line 26, delete “(3)” and insert “(4)”

Page 3, line 26, after “all” insert “prospective”

Page 3, line 27, after “has” insert “been convicted of a felony within five years of starting employment with the agency or has ever”

Page 3, line 28, delete “within” and insert “or”

Page 3, delete line 29

Page 3, line 30, delete “been convicted of”

Page 3, line 31, delete “The director has access to all”

Page 3, line 33, before the period, insert “may be released to the director” and delete “The director may”

Page 3, delete lines 34 and 35

Page 5, line 29, delete “gross misdemeanor.” and insert “has ever been convicted of” and delete the second “or” and insert a comma

Page 5, line 30, delete “a gambling-related offense” and insert “gambling”

Page 6, line 4, after “the” insert “business or the”

Page 6, line 17, delete “may” and insert “shall”

Page 7, delete lines 29 and 30

Page 8, after line 31, insert:

“(d) The director shall cancel the contract if the retailer has been convicted of violating any provision of section 12 or 16.”

Page 8, line 32, delete “(d)” and insert “(e)”

Page 8, line 36, delete “(e)” and insert “(f)”

Renumber the subdivisions in sequence

Page 10, line 4, delete "that" and insert "who" and delete "in a state or" and insert "within the previous five years"

Page 10, delete lines 5 to 7 and insert " , or has ever been convicted of a felony involving fraud or misrepresentation or any crime involving gambling."

Page 12, line 24, delete "may" and insert "shall"

Page 12, line 25, delete everything after "prize"

Page 12, delete lines 26 and 27 and insert "with the district court and section 540.08 applies to the investment and distribution of the money."

Page 13, lines 26 and 27, delete "CHILD SUPPORT" and insert "OTHER DEBTS"

Page 13, line 31, delete everything after "taxes" and insert "or owes a debt as defined in section 270A.03, subdivision 5."

Page 13, delete line 32

Page 13, line 33, delete "child support."

Page 13, line 34, delete "court-ordered child support" and insert "owes a debt as defined in section 270A.03, subdivision 5"

Page 13, line 36, delete "or to the appropriate" and insert "for payment of the delinquent taxes or distribution to a claimant agency in accordance with chapter 270A. Section 270A.10 applies to the priority of claims."

Page 14, delete lines 1 to 5

Page 17, line 2, delete "knowingly"

Page 17, line 3, after the period, insert "It is an affirmative defense to a charge under this subdivision for the lottery retailer to prove by a preponderance of the evidence that the lottery retailer reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, in making the sale."

Page 17, delete lines 8 to 36

Page 18, line 17, after "[VIOLATIONS.]" insert "A violation of subdivision 1 is a petty misdemeanor. A" and delete "1 or 2" and insert "2 or 5"

Page 18, line 18, after the period, insert "A" and delete " , 7, or 8" and insert "or 4"

Page 18, line 19, delete everything after "misdemeanor."

Renumber the subdivisions in sequence

Page 19, after line 6, insert:

"Sec. 16. [609.651] [STATE LOTTERY FRAUD.]

*Subdivision 1. [FELONY.] A person is guilty of a felony and may be sentenced under subdivision 3 if the person does any of the following with intent to defraud the state lottery:*

*(1) alters or counterfeits a state lottery ticket;*

*(2) knowingly presents an altered or counterfeited state lottery ticket for payment;*

(3) knowingly transfers an altered or counterfeited state lottery ticket to another person;

(4) obtains access to the state lottery computer data base; or

(5) otherwise claims a lottery prize by means of fraud, deceit, or misrepresentation.

*Subd. 2. [FALSE STATEMENTS.] A person is guilty of a felony and may be sentenced under subdivision 3 if the person:*

(1) makes a materially false or misleading statement, or a material omission, in a record required to be submitted under chapter 349A; or

(2) makes a materially false or misleading statement, or a material omission, in information submitted to the director of the state lottery in a lottery retailer's application or a document related to a bid.

*Subd. 3. [PENALTY.] (a) A person who violates subdivision 1 may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$50,000, or both.*

*(b) A person who violates subdivision 1 and defrauds the state lottery of \$35,000 or more may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both.*

*(c) A person who violates subdivision 2 may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$25,000, or both."*

Page 19, line 22, delete "1 to 15" and insert "1 to 11, 13 to 15," and delete "17" and insert "18" and after the period, insert "Sections 12 and 16 are effective July 1, 1989, and apply to crimes committed on or after that date."

Page 19, line 23, delete "16" and insert "17"

Renumber the sections of article 1 in sequence

Page 22, after line 14, insert:

"Sec. 3. Minnesota Statutes 1988, section 260.015, subdivision 5, is amended to read:

*Subd. 5. [DELINQUENT CHILD.] "Delinquent child" means a child:*

*(a) Who has violated any state or local law, except as provided in section 260.193, subdivision 1, and except for juvenile offenders as described in subdivisions 19 to 23 unless the child has committed a second or subsequent violation of article 1, section 12, subdivision 1; or*

*(b) Who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult; or*

*(c) Who has escaped from confinement to a state juvenile correctional facility after being committed to the custody of the commissioner of corrections.*

Sec. 4. Minnesota Statutes 1988, section 260.015, subdivision 21, is amended to read:

*Subd. 21. [JUVENILE PETTY OFFENDER; JUVENILE PETTY*



OFFENSE.] "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a violation of section 609.685 *or article 1, section 12, subdivision 1*, or a violation of a local ordinance, 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. A child who commits a juvenile petty offense is a "juvenile petty offender."

Page 25, line 17, delete "9" and insert "11"

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "260.015, subdivisions 5 and 21;"

Page 1, line 10, after the second semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 609;"

And when so amended the bill be re-referred to the Committee on Governmental Operations without recommendation. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 681, 594, 60, 775, 478, 273, 699, 358, 784, 428 and 644 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 43, 323, 387, 85 and 242 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Knaak moved that his name be stricken as a co-author to S.F. No. 7. The motion prevailed.

Mr. Frank moved that the name of Mr. Hughes be added as a co-author to S.F. No. 89. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Brandl be added as a co-author to S.F. No. 316. The motion prevailed.

Mr. Luther moved that the name of Mr. Hughes be added as a co-author to S.F. No. 368. The motion prevailed.

Mr. Pehler moved that the name of Mr. Beckman be added as a co-author to S.F. No. 458. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Taylor be added as a co-author to S.F. No. 499. The motion prevailed.

Ms. Reichgott moved that the name of Mrs. Brataas be added as a co-author to S.F. No. 652. The motion prevailed.

Mr. Storm moved that the name of Mr. Lessard be added as a co-author to S.F. No. 768. The motion prevailed.

Mr. Marty moved that the name of Ms. Berglin be added as a co-author to S.F. No. 804. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Lessard and Bertram be added as co-authors to S.F. No. 837. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 848. The motion prevailed.

Mr. Waldorf moved that the names of Mrs. Adkins, Ms. Olson, Mrs. McQuaid and Mr. Schmitz be added as co-authors to S.F. No. 853. The motion prevailed.

Mr. Dicklich moved that the name of Ms. Piper be added as a co-author to S.F. No. 855. The motion prevailed.

Mr. Frank moved that the name of Ms. Piper be added as a co-author to S.F. No. 856. The motion prevailed.

Mr. Metzen moved that the name of Mr. Cohen be added as a co-author to S.F. No. 910. The motion prevailed.

Mr. Merriam moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 916. The motion prevailed.

Mr. Metzen introduced—

Senate Resolution No. 63: A Senate resolution congratulating the Simley High School Spartans Wrestling Team for winning the 1989 Class AA Wrestling Championship.

Referred to the Committee on Rules and Administration.

Mr. Beckman introduced—

Senate Resolution No. 64: A Senate resolution congratulating the St. James High School Wrestling Team for winning the 1989 State High School Class A Wrestling Tournament Co-Championship.

Referred to the Committee on Rules and Administration.

### 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. 400, 294 and H.F. Nos. 210, 267, 14 and 68, which the committee recommends to pass.

S.F. No. 388, which the committee reports progress, subject to the following motion:

Mr. Knaak moved to amend S.F. No. 388 as follows:

Page 2, after line 34, insert:

“BE IT FURTHER RESOLVED that since light rail transit has great potential in the metropolitan area to alleviate freeway congestion and increase the capacity to efficiently move people, the Legislature of the State of Minnesota urges Congress and the President to make federal grant money available to the regional rail authorities for design, construction and capital costs of a light rail transit system.”

Amend the title as follows:

Page 1, line 5, before the period, insert “and to make federal money

available for a light rail transit system”

The motion prevailed. So the amendment was adopted.

S.F. No. 388 was then progressed.

H.F. No. 214, which the committee recommends to pass, after the following motion:

Mr. Knaak moved to amend H.F. No. 214, as amended pursuant to Rule 49, adopted by the Senate March 6, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 62.)

Pages 16 to 18, delete section 10

Page 35, line 6, delete “18” and insert “17”

Page 35, line 8, delete “19 to 21” and insert “18 to 20” and delete “22” and insert “21”

Page 35, line 10, delete “23” and insert “22”

Page 35, line 12, delete “17” and insert “16”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete “individuals filing separately;”

Page 1, line 11, delete “subdivisions 2c and” and insert “subdivision”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knutson	Mehrkens	Ramstad
Benson	Frederick	Larson	Olson	Renneke
Bernhagen	Knaak	McGowan	Pariseau	

Those who voted in the negative were:

Beckman	Diessner	Kroening	Novak	Schmitz
Berglin	Frank	Langseth	Pehler	Spear
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Chmielewski	Frederickson, D.R.	Marty	Peterson, R.W.	Vickerman
Cohen	Freeman	Merriam	Piper	Waldorf
Davis	Hughes	Metzen	Pogemiller	
DeCramer	Johnson, D.E.	Moe, D.M.	Purfeerst	
Dicklich	Johnson, D.J.	Morse	Reichgott	

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

Mr. Merriam moved that the report of the Committee of the Whole, as kept by the Secretary, be now adopted.

Mr. Diessner requested that the report on H.F. No. 210 be divided out.

Mr. Merriam moved that the report of the Committee of the Whole, with the exception of the report on H.F. No. 210, be adopted. The motion prevailed.

The question was taken on the adoption of the report on H.F. No. 210. The motion did not prevail.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Frederickson, D.R. introduced—

S.F. No. 921: A bill for an act relating to state lands; authorizing conveyance of state land to the city of St. Peter.

Referred to the Committee on Environment and Natural Resources.

Ms. Olson, Messrs. Mehrkens; Peterson, R.W.; Ms. Peterson, D.C. and Mr. Hughes introduced—

S.F. No. 922: A bill for an act relating to education; permitting one levy referendum each year by a school board; requiring special school district canvassing boards in certain elections; amending Minnesota Statutes 1988, sections 124A.03, subdivision 2; and 205A.10, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 204C.

Referred to the Committee on Elections and Ethics.

Messrs. Mehrkens, Decker, Ramstad, Knaak and Ms. Olson introduced—

S.F. No. 923: A bill for an act relating to education; appropriating money for reducing class sizes in kindergarten through grade 3.

Referred to the Committee on Education.

Messrs. Storm, Laidig and Bernhagen introduced—

S.F. No. 924: A bill for an act relating to family law; permitting child support obligors to withdraw from the automatic withholding program; amending Minnesota Statutes 1988, section 518.613, subdivision 4.

Referred to the Committee on Health and Human Services.

Mr. Taylor introduced—

S.F. No. 925: A bill for an act relating to retirement; Mankato fire department relief association; permitting the association to amend its constitution and bylaws to provide for payment of disability benefits to members regardless of whether disabilities arose through the performance of firefighting duties.

Referred to the Committee on Governmental Operations.

Messrs. Storm and Laidig introduced—

S.F. No. 926: 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.

Mr. Bertram introduced—

S.F. No. 927: A bill for an act relating to charitable gambling; including within the definition of "lawful purpose" certain expenditures for the erection, acquisition, maintenance and repair of real property; amending Minnesota Statutes 1988, section 349.12, subdivision 11.

Referred to the Committee on General Legislation and Public Gaming.

Ms. Piper, Mrs. Adkins, Messrs. Vickerman, Beckman and Benson introduced—

S.F. No. 928: A bill for an act relating to taxation; property; eliminating senior accreditation requirements for assessors; amending Minnesota Statutes 1988, sections 270.485; and 273.061, subdivisions 1 and 2; repealing Laws 1988, chapter 719, article 7, section 9.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dahl, Hughes, Chmielewski, Kroening and Merriam introduced—

S.F. No. 929: A bill for an act relating to natural resources; establishing the Minnesota conservation corps; prescribing powers and duties of the commissioner of natural resources; amending Minnesota Statutes 1988, section 86.33; Laws 1988, chapter 690, article 1, section 21.

Referred to the Committee on Environment and Natural Resources.

Mr. Moe, D.M. introduced—

S.F. No. 930: A bill for an act relating to state agencies; providing for the development of internal auditing standards and requiring a report to the legislature and the governor on progress made; providing for the classification of certain internal auditing data as confidential data on individuals, protected nonpublic data, or private data on individuals; requiring the commissioner to coordinate development and develop standards for internal auditing and report on progress; amending Minnesota Statutes 1988, section 16A.055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller introduced—

S.F. No. 931: A bill for an act relating to retirement; permitting certain members of public pension plans to select Medicare coverage; amending Minnesota Statutes 1988, section 355.90, subdivisions 3 and 4.

Referred to the Committee on Governmental Operations.

Messrs. Frederick, McGowan, Decker and Mrs. Pariseau introduced—

S.F. No. 932: A bill for an act relating to taxation; motor vehicle excise; exempting sale of motor vehicles to state institutions of higher education and political subdivisions of the state; amending Minnesota Statutes 1988, section 297B.03.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 933: A bill for an act relating to local government; providing for the board membership of the Moose Lake and Windemere sanitary sewer district; amending Laws 1974, chapter 400, section 4, subdivision 2, as amended.

Referred to the Committee on Local and Urban Government.

Ms. Piper, Messrs. Chmielewski, Brandl, Mrs. Lantry and Mr. Solon introduced—

S.F. No. 934: A bill for an act relating to occupations and professionals; establishing a system of licensure for acupuncture practitioners; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Mr. Frank introduced—

S.F. No. 935: A bill for an act relating to retirement; authorizing employing units to provide early retirement reduction offset annuities to certain employees qualifying under a rule of 85; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Mr. Pehler introduced—

S.F. No. 936: A bill for an act relating to state lands; authorizing exchange of state property with city of St. Cloud.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C.; Messrs. Storm, Ramstad, Pogemiller and Ms. Reichgott introduced—

S.F. No. 937: A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board of Hennepin county for a public safety building.

Referred to the Committee on Local and Urban Government.

Ms. Reichgott, Messrs. Luther, Merriam, Beckman and Ramstad introduced—

S.F. No. 938: A bill for an act relating to economic development; providing for funding of grants to nonprofit economic development organizations; appropriating money.

Referred to the Committee on Economic Development and Housing.

Messrs. Beckman, Lessard, Luther, Ms. Piper and Mr. Frederickson, D.J. introduced—

S.F. No. 939: A bill for an act relating to state parks; requiring collection facilities for recycling containers at state park entrances; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon, Metzen and Purfeerst introduced—

S.F. No. 940: A bill for an act relating to insurance; accident and health; requiring coverage for mental or nervous disorder treatment services performed by a licensed psychologist; amending Minnesota Statutes 1988, section 62A.152, subdivisions 2 and 3.

Referred to the Committee on Commerce.

Mrs. Brataas and Mr. Benson introduced—

S.F. No. 941: A bill for an act relating to Olmsted county; authorizing certain appropriations for economic and agricultural development.

Referred to the Committee on Economic Development and Housing.

Mr. DeCramer introduced—

S.F. No. 942: A bill for an act relating to education; providing for exchanges of education faculty; appropriating money.

Referred to the Committee on Education.

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

S.F. No. 943: A bill for an act relating to human services; requiring the commissioner to establish or designate pilot programs in Hennepin and Ramsey counties for chemical dependency services for youths; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 254A.

Referred to the Committee on Health and Human Services.

Messrs. Solon, Kroening, Benson, Purfeerst and Metzen introduced—

S.F. No. 944: A bill for an act relating to capital improvements; appropriating money for the port of Duluth; authorizing sale of state bonds.

Referred to the Committee on Local and Urban Government.

Mrs. Pariseau introduced—

S.F. No. 945: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

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

S.F. No. 946: A bill for an act relating to human services; authorizing creation of the Minnesota family investment plan; establishing grant projects for refugees; fraud prevention; appropriating money; amending Minnesota Statutes 1988, sections 256.045, subdivision 3; 256.12, subdivision 14; 256.736, subdivision 10, 16, and by adding subdivisions; 256.74, subdivisions 1 and 1a; and 256D.051, subdivision 6, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1988, section 256D.051, subdivision 6a.

Referred to the Committee on Health and Human Services.

Messrs. Davis and DeCramer introduced—

S.F. No. 947: A bill for an act relating to appropriations; appropriating funds for replanting of trees.

Referred to the Committee on Agriculture and Rural Development.

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

S.F. No. 948: A bill for an act relating to natural resources; requiring the labeling of paddy-grown wild rice and natural wild rice; establishing an Indian wild rice promotion council; directing the commissioner of natural resources to prescribe 100 wild rice lakes to be certified as organic; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 30.49; 84.091, subdivision 3; 84.0911, subdivision 3; 84.14, by adding a subdivision; and 84.152, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 30.

Referred to the Committee on Environment and Natural Resources.

Mr. Moe, D.M. introduced—

S.F. No. 949: A bill for an act relating to retirement; Minnesota postretirement investment fund; providing a special ad hoc postretirement adjustment; increasing certain postretirement interest assumptions; amending Minnesota Statutes 1988, sections 11A.18, subdivision 9; and 356.215, subdivision 4d.

Referred to the Committee on Governmental Operations.

Mr. Moe, D.M. introduced—

S.F. No. 950: A bill for an act relating to retirement; local police and salaried firefighters relief associations; specifying the employment position salary for benefit and postretirement increase calculations for fire departments converted to a volunteer fire department; clarifying various ambiguous provisions; amending Minnesota Statutes 1988, section 423A.01, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Pehler introduced—

S.F. No. 951: A bill for an act relating to chemical abuse reporting; providing that law enforcement is not required to notify the school chemical abuse preassessment team within two weeks under certain circumstances; amending Minnesota Statutes 1988, section 126.036.

Referred to the Committee on Judiciary.

Ms. Berglin, Messrs. Vickerman, Solon, Mrs. Lantry and Mr. Benson introduced—

S.F. No. 952: A bill for an act relating to human services; establishing requirements for nursing home reimbursement; providing an adjustment factor for allowable, reported, care-related costs; allowing an adjustment of a nursing home's total payment rate; requiring a study; amending Minnesota Statutes 1988, section 256B.431, subdivisions 2b and 2i, and by adding a subdivision.



Referred to the Committee on Health and Human Services.

Messrs. McGowan, Knutson and Ms. Piper introduced—

S.F. No. 953: A bill for an act relating to taxation; income; providing a subtraction for certain expenses related to the adoption of a child; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Samuelson; Chmielewski; Purfeerst; Johnson, D.E. and Pogemiller introduced—

S.F. No. 954: A bill for an act relating to human services; establishing policy; changing the role of regional treatment centers; providing for community-based services for certain persons; amending Minnesota Statutes 1988, sections 245.463, by adding a subdivision; 245.476, by adding a subdivision; 245.94, subdivision 1; 246.18, subdivision 4; 246.36; 246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.291, subdivision 2; 252.31; 252.41, subdivision 9; 252.50; 253.015; 253B.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245; 246; 251; 252; 253; and 256E.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson, Vickerman, Ms. Berglin, Mrs. Adkins and Mr. Benson introduced—

S.F. No. 955: A bill for an act relating to human services; increasing asset and income guidelines for spouses of institutionalized medical assistance recipients; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Mr. Stumpf introduced—

S.F. No. 956: A bill for an act relating to waste management; requiring a county that enters a contract with the state for the siting and development of a stabilization and containment facility to hold a binding referendum on implementation of the contract; amending Minnesota Statutes 1988, section 115A.191, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Frank; Moe, R.D.; Stumpf; Bernhagen and Davis introduced—

S.F. No. 957: A bill for an act relating to economic development; transferring programs under the Minnesota agricultural and economic development board to the department of trade and economic development; changing the governing structure of the certified development company; transferring program responsibilities for the allocation of bonding authority to the department of finance; eliminating certain reporting requirements; amending Minnesota Statutes 1988, sections 41A.01; 41A.02, subdivisions 7a, 15, 16, and by adding subdivisions; 41A.021; 41A.022; 41A.023; 41A.03, subdivision 3; 41A.035; 41A.036, subdivisions 1, 4, 5, and 6; 41A.04; 41A.05, subdivisions 1, 2, 3, and 4; 41A.051; 41A.06, subdivisions 2, 4,

and 5; 41A.07; 41A.08; 469.175, subdivision 2; and 474A.02, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1988, sections 41A.02, subdivision 3; 41A.065; and 469.012, subdivision 5.

Referred to the Committee on Agriculture and Rural Development.

Mr. Laidig, Mrs. Pariseau, Messrs. Larson and Bernhagen introduced—

S.F. No. 958: A bill for an act relating to taxation; property; extending the homestead and agricultural credit to taxes payable after 1989; abolishing transition aid; repealing increases in income maintenance payments; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2131, subdivision 3; 124.2139; 124A.02, subdivision 3a; 256.01, subdivision 2; 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.091, subdivision 8; 256B.15; 256B.19, subdivisions 1 and 2; 256D.03, subdivisions 2 and 6; 256D.04; 256D.36, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 22 and 23; 273.132, subdivisions 1, 2, and 5; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1398, subdivisions 1, 3, and 6; 273.165, subdivision 2; 275.065, subdivision 2; 275.07, subdivision 1; 275.08, subdivisions 1a and 1b; 275.50, subdivision 5; 275.51, subdivisions 3f and 3h; 276.04, subdivision 2; 290A.04, subdivision 2; 393.07, subdivisions 2 and 10; 473.446, subdivision 1; 473F02, subdivision 23; 473F05; 473F06; 473F07, subdivisions 1, 4, and 5; 473F08, subdivisions 1, 2, 3a, 4, 5, 6, and 10; 473F10; 477A.011, subdivisions 15 and 20; and 477A.013, subdivision 3; Laws 1988, chapter 719, article 5, sections 81 and 84; repealing Minnesota Statutes 1988, sections 256.017; 256.018; 256.019; 273.13, subdivision 21a; 273.135, subdivision 2a; 273.1391, subdivision 2a; 273.1398, subdivisions 2 and 5; 275.07, subdivision 3; 275.08, subdivision 1c; 290A.04, subdivision 2b; and Laws 1988, chapter 719, article 8, sections 32, 33, 34, 35, and 36.

Referred to the Committee on Taxes and Tax Laws.

Ms. Peterson, D.C. introduced—

S.F. No. 959: 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.

Ms. Peterson, D.C.; Messrs. Samuelson, Marty, Purfeerst and Ms. Olson introduced—

S.F. No. 960: A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.

Referred to the Committee on Commerce.

Messrs. Decker, Taylor, Ms. Olson, Messrs. Pehler and Hughes introduced—

S.F. No. 961: A bill for an act relating to taxation; income; providing a subtraction for payment of student loan principal and interest; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Pariseau, Messrs. Larson, Decker and Anderson introduced—

S.F. No. 962: A bill for an act relating to taxation; income; providing an exclusion for certain military pay; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Laidig introduced—

S.F. No. 963: A bill for an act relating to health; providing identification cards to persons requiring special diets; exempting persons requiring special diets from public facility prohibitions on outside food and drink; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Mr. Laidig introduced—

S.F. No. 964: A bill for an act relating to education; modifying the tuition reimbursement provisions for the post-secondary enrollment options program; appropriating money; amending Minnesota Statutes 1988, section 123.3514, subdivision 6.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 965: A bill for an act relating to education; appropriating money to the University of Minnesota for a certain kind of crop management specialist and for support of the specialist.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Stumpf, DeCramer, Ms. Peterson, D.C. and Mr. Decker introduced—

S.F. No. 966: A bill for an act relating to education; appropriating money for a joint American Indian teacher education program by independent school district No. 38, Red Lake, and Bemidji State University.

Referred to the Committee on Education.

Messrs. Brandl, Luther and Pehler introduced—

S.F. No. 967: A bill for an act relating to insurance; regulating the comprehensive health insurance plan and association; increasing access to the plan; modifying the funding mechanism and membership of the association; modifying the representation on the board of directors; modifying coverages; defining certain terms; amending Minnesota Statutes 1988, sections

62A.17, subdivision 4, and by adding a subdivision; 62A.20, by adding a subdivision; 62A.21, by adding a subdivision; 62D.02, subdivision 8; 62E.02, subdivisions 2, 8, 9, 13, 18, and by adding a subdivision; 62E.10, subdivisions 1, 2, 3, 7, and 9; 62E.11, subdivision 2, and by adding a subdivision; 62E.12; 62E.14, subdivision 3, and by adding subdivisions; 62E.16; and 363.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62E; repealing Minnesota Statutes 1988, sections 62E.02, subdivisions 21 and 22; 62E.035; and 62E.11, subdivisions 5 and 6.

Referred to the Committee on Commerce.

Mr. Frederickson, D.J. introduced—

S.F. No. 968: A bill for an act relating to veterans; providing for establishment of a veterans home in Redwood Falls; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Bernhagen and Merriam introduced—

S.F. No. 969: A bill for an act relating to forestry; directing a study and report on urban reforestation; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Marty and Merriam introduced—

S.F. No. 970: A bill for an act relating to wild animals; removing authority to offer a bounty on rattlesnakes; amending Minnesota Statutes 1988, sections 348.12 and 348.13.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller, Samuelson, Freeman, Knutson and Ms. Piper introduced—

S.F. No. 971: A bill for an act relating to health; establishing a grant for a prenatal care media campaign; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mr. Hughes, Ms. Berglin, Mrs. Brataas, Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 972: A bill for an act relating to education; establishing a task force on coordinated childcare; appropriating money.

Referred to the Committee on Education.

Messrs. Solon and Gustafson introduced—

S.F. No. 973: A bill for an act relating to the University of Minnesota; assigning certain jobs to bargaining units.

Referred to the Committee on Governmental Operations.

Mr. Peterson, R.W. introduced—

S.F. No. 974: A bill for an act relating to the collection, access to, and dissemination of data; proposing classifications of data as private, confidential, nonpublic, and protected nonpublic; clarifying classification of data; establishing an internal audit function with access to state agency data; clarifying what data on juveniles may be made available to the public; amending Minnesota Statutes 1988, sections 13.10, subdivision 1; 13.32, subdivisions 3 and 5; 13.82, subdivision 8; 16A.055, subdivision 1; 245.94, subdivision 1; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.J.; Beckman; Metzen; Ms. Piper and Mr. Johnson, D.J. introduced—

S.F. No. 975: A bill for an act relating to taxation; sales and use; repealing accelerated payment of June liability; amending Minnesota Statutes 1988, section 297A.27, subdivision 1; repealing Minnesota Statutes 1988, section 297A.275.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Morse, Davis, Freeman, Ms. Berglin and Mr. Frederickson, D.J. introduced—

S.F. No. 976: A bill for an act relating to agriculture; renaming the commissioner and department of agriculture as the commissioner and department of agriculture and food; clarifying the commissioner's authority and responsibilities; providing for demonstration projects to allow women, infants, and children program recipients to redeem coupons for Minnesota grown food; appropriating money; amending Minnesota Statutes 1988, sections 17.01 and 17.013; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Frank; Moe, R.D. and Kroening introduced—

S.F. No. 977: A bill for an act relating to economic development; establishing the community and neighborhood development organization program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Mr. Knutson introduced—

S.F. No. 978: A bill for an act relating to education; increasing the required number of annual school days from 175 to 180, and the number of required daily hours by 1; appropriating money; amending Minnesota Statutes 1988, section 124.19; subdivision 1.

Referred to the Committee on Education.

Mr. Knutson introduced—

S.F. No. 979: A bill for an act relating to crime; providing that a person who unlawfully sells or distributes narcotic drugs is guilty of attempted murder; providing penalties; amending Minnesota Statutes 1988, section 152.15, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Knutson introduced—

S.F. No. 980: A bill for an act relating to education; restoring earlier levels of salary aid for special education teachers; appropriating money; amending Minnesota Statutes 1988, section 124.32, subdivision 1b.

Referred to the Committee on Education.

Mr. Knutson introduced—

S.F. No. 981: A bill for an act relating to courts; permitting parties in civil actions to electronically record the proceedings; amending Minnesota Statutes 1988, section 484.72, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Solon; Frederick; Kroening; Johnson, D.J. and Purfeerst introduced—

S.F. No. 982: A bill for an act relating to horse racing; providing for licensing of televised horse racing facilities; allowing for pari-mutuel wagering at licensed horse racing facilities; permitting inter-track and out-of-state simulcasts of horse races; amending Minnesota Statutes 1988, sections 240.01, subdivision 1, and by adding subdivisions; 240.03; 240.05, subdivision 1; 240.10; 240.11; 240.13, subdivisions 1, 2, 3, and by adding subdivisions; 240.17; 240.19; 240.23; 240.25, subdivision 2; 240.27; and 240.28, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 240.

Referred to the Committee on General Legislation and Public Gaming.

## ADJOURNMENT

Mr. Merriam moved that the Senate do now adjourn until 2:00 p.m., Monday, March 13, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-FIRST DAY

St. Paul, Minnesota, Monday, March 13, 1989

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

Prayer was offered by the Chaplain, Dr. Martin Marty.

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

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

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 14, 1989

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:

Kathryn Jarvinen, 1750 Gilmore Ave., Winona, Winona County, has been appointed by me, effective February 1, 1989, for a term expiring the first

Monday in January, 1993.

Earl Herring, 109 - 14th Ave. S., Moorhead, Clay County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

Sincerely,  
Rudy Perpich, Governor

March 8, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
215		6	1337 hours March 8	March 8

Sincerely,  
Joan Anderson Growe  
Secretary of State

March 9, 1989

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. 32.

Sincerely,  
Rudy Perpich, Governor

March 9, 1989

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. 204 and 574.

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 on S.F. No. 505 and reports pertaining to appointments. The motion prevailed.

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

S.F. No. 590: A bill for an act relating to veterans; requiring a presentence investigation report on a convicted veteran to include information on whether the veteran is suffering from a posttraumatic stress disorder; requiring the chief executive officers of correctional facilities to provide veteran inmates suffering from posttraumatic stress disorders with appropriate medical care; amending Minnesota Statutes 1988, sections 241.06; and 609.115, by adding a subdivision.

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

Page 1, line 15, after "(a)" insert "*“Posttraumatic stress disorder” means the disorder described in this paragraph. A person who has post-traumatic stress disorder has experienced an event that is outside the range of usual human experience and that would be markedly distressing to almost anyone, such as serious threat to one's life or physical integrity; serious threat or harm to one's children, spouse, or other close relatives and friends; sudden destruction of one's home or community; or seeing another person who has recently been, or is being, seriously injured or killed as the result of an accident or physical violence. The traumatic event is persistently reexperienced in at least one of the following ways:*

*(1) recurrent and intrusive distressing recollections of the event (in young children, repetitive play in which themes or aspects of the trauma are expressed);*

*(2) recurrent distressing dreams of the event;*

*(3) sudden acting or feeling as if the traumatic event were recurring (includes a sense of reliving the experience, illusions, hallucinations, and dissociative (flashback) episodes, even those that occur upon awakening or when intoxicated); or*

*(4) intense psychological distress at exposure to events that symbolize or resemble an aspect of the traumatic event, including anniversaries of the trauma.*

*The person displays persistent avoidance of stimuli associated with the trauma or numbing of general responsiveness (not present before the trauma), as indicated by at least three of the following:*

*(1) efforts to avoid thoughts or feelings associated with the trauma;*

*(2) efforts to avoid activities or situations that arouse recollections of the trauma;*

*(3) inability to recall an important aspect of the trauma (psychogenic amnesia);*

*(4) markedly diminished interest in significant activities (in young children, loss of recently acquired developmental skills such as toilet training or language skills);*

(5) *feeling of detachment or estrangement from others;*

(6) *restricted range of affect, such as, unable to have loving feelings;*  
or

(7) *sense of a foreshortened future, such as, does not expect to have a career, marriage, or children, or a long life.*

*The person experiences persistent symptoms of increased arousal (not present before the trauma), as indicated by at least two of the following:*

(1) *difficulty falling or staying asleep;*

(2) *irritability or outbursts of anger;*

(3) *difficulty concentrating;*

(4) *hypervigilance;*

(5) *exaggerated startle response; or*

(6) *physiologic reactivity upon exposure to events that symbolize or resemble an aspect of the traumatic event (such as, a woman who was raped in an elevator breaks out in a sweat when entering any elevator).*

*Duration of the disturbance is at least one month.*

(b)" and delete "Korean conflict"

Page 1, line 16, delete "or Vietnam era"

Page 1, line 17, delete "during either or both" and insert a period

Page 1, delete lines 18 and 19

Page 1, line 20, delete "(b)" and insert "(c)"

Page 1, line 22, delete "Korean conflict or"

Page 1, line 23, delete "Vietnam era"

Page 2, line 6, delete "(c)" and insert "(d)"

Page 3, line 11, delete "Korean"

Page 3, line 12, delete "conflict or Vietnam era"

Page 3, line 13, delete "during either" and insert a period

Page 3, delete lines 14 and 15

Page 3, line 16, delete "Korean conflict or Vietnam era"

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. 487: A bill for an act relating to human services; clarifying eligibility requirements for AFDC; revising the Minnesota supplemental aid program; appropriating money; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 237.70, subdivision 7; 237.701, subdivision 1; 256.014, subdivision 1; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivision 3; 256.74, subdivisions 1 and 1a; 256D.01, subdivision 1b; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; and 256D.37, subdivision 1;

proposing coding for new law in Minnesota Statutes, chapter 256D; proposing coding for new law as Minnesota Statutes, chapter 256I; repealing Minnesota Statutes 1988, sections 256D.01, subdivision 1c; 256D.06, subdivisions 3, 4, and 6; 256D.35, subdivisions 2, 3, 4, and 8; 256D.36, subdivision 2; 256D.37, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 256D.38; 256D.39; 256D.41; 256D.42; and 256D.43.

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

Pages 6 to 13, delete sections 5 to 9

Page 15, line 36, delete "*the inability*"

Page 16, delete lines 1 to 3

Page 16, line 4, delete "*those*" and insert "*disability as determined under the*"

Page 17, line 19, before "*income*" insert "*net*"

Page 19, line 30, before "*regional*" insert "*nursing home,*"

Page 19, line 31, after "*center*" insert a comma

Page 23, line 18, delete everything after the headnote and insert "*The transfer policies and procedures of the Minnesota supplemental aid program are those used by the medical assistance program under section 256B.17.*"

Page 23, delete lines 19 to 36

Page 24, delete lines 1 to 8

Page 26, line 25, after "*property*" insert "*who is the assistance unit or a responsible relative of the assistance unit*"

Page 27, line 22, delete "5" and insert "4"

Page 27, lines 24 and 25, delete "*share a residence*" and insert "*reside*"

Page 27, line 27, delete "*shares a residence*" and insert "*resides*"

Page 27, delete lines 29 to 32

Renumber the subdivisions in sequence

Page 28, after line 27, insert:

*"(d) The county agency shall continue to pay a monthly allowance of \$68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first."*

Page 29, line 11, delete "5" and insert "4"

Page 29, line 16, delete "*Emergency*"

Page 29, delete lines 17 and 18

Page 30, line 36, after the period, insert "*The criteria used to determine a person's continuing need for a protective payee are the criteria used in the supplemental security income program (SSI) to determine if a person*

*is incapable of managing or directing the management of the person's money."*

Page 31, line 31, before "*facilities*" insert "*nursing homes, regional treatment centers, and*"

Page 32, line 23, delete "*understands*" and insert "*acknowledges*"

Page 32, line 35, after "*terminated,*" insert "*the client has the right to choose to have*"

Page 32, line 36, delete "*must be*"

Page 33, line 18, delete "*emergency and*"

Page 33, line 29, delete "*policy and program administration*" and insert "*program provisions under sections 256D.33 to 256D.54 if*"

Page 33, line 30, after "*necessary*" insert a comma

Page 33, line 31, after "*aid*" insert a comma

Page 33, line 32, delete "*Public Law Number 94-585*" and insert "*United States Code, section 1396, and following sections*"

Page 33, line 33, delete "*Minnesota*"

Page 33, line 34, delete "*legislature*" and insert "*chairs of the health and human services committees of the Minnesota senate and house of representatives*"

Page 36, line 21, delete "*filed*" and insert "*received by a county agency*"

Page 37, line 7, delete "*this chapter*" and insert "*general assistance or Minnesota supplemental aid*"

Page 38, line 12, delete "*subdivision 1*" and insert "*this section*"

Page 39, line 35, delete "*10, 26, 34*" and insert "*5, 21, 29*"

Page 39, line 36, delete "*35, 53 to 58, and 59*" and insert "*30, 48 to 53, and 54*"

Page 40, line 2, delete "*11 to 25, 27 to 33*" and insert "*6 to 20, 22 to 28*"

Page 40, line 3, delete "*35, 36 to 52, and 59*" and insert "*30, 31 to 47, and 54*"

Page 40, line 5, delete "*59*" and insert "*54*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "*256.12,*"

Page 1, delete line 8

Page 1, line 9, delete everything before "*256D.01*"

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. 235: A bill for an act relating to health, human services, and corrections; establishing requirements to prevent overconcentration of residential facilities; requiring county plans for the dispersal and downsizing of facilities in overconcentrated areas; limiting municipal zoning restrictions on certain residential facilities; proposing coding for new law in Minnesota Statutes, chapters 245A and 462; repealing Minnesota Statutes 1988, sections 245A.11; and 462.357, subdivisions 6a, 7, and 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. [245A.111] [OVERCONCENTRATION AND DISPERSAL OF RESIDENTIAL PROGRAMS.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:*

(a) [STATE-LICENSED RESIDENTIAL FACILITY.] “State-licensed residential facility” means a program or facility licensed by the commissioner of health, the commissioner of human services, or the commissioner of corrections to provide lodging in conjunction with monitoring, supervision, treatment, rehabilitation, habilitation, education, or training of the residents in the facility. “State-licensed residential facility” does not include:

(1) a foster care program operated in the permanent residence of the license holder, or in which a client or the client’s guardian owns, rents, or leases the home;

(2) a motel, hotel, or board and lodging facility licensed by the commissioner of health, unless the facility receives more than 50 percent of its residents under a contract or other arrangement with the state or a local government human services agency to provide lodging for people who are mentally ill or chemically dependent, or who have other human services needs;

(3) a hospital or nursing home licensed only by the commissioner of health;

(4) a regional treatment center operated by the commissioner of human services;

(5) a municipal, county, or regional jail, workhouse, or juvenile detention facility, or a state correctional program operated by the commissioner of corrections;

(6) semi-independent living services for persons with mental retardation or related conditions or mental illness, if the license holder has no financial or ownership interest in the housing used by persons receiving the semi-independent living services;

(7) a residential school operated by the commissioner of education; or

(8) a facility described in section 256B.431, subdivision 4, paragraph (c).

(b) [FREESTANDING FOSTER CARE PROGRAM.] “Freestanding foster care program” means a foster care program that is licensed by the

*commissioner of human services and that is not operated in the permanent residence of the license holder.*

(c) [OVERCONCENTRATED AREA.] *“Overconcentrated area” means a municipality or planning district with more than one percent of its population residing in state-licensed residential facilities. If a municipality has planning districts, the concentration percentage is determined for each district and not for the municipality as a whole. Municipal population is determined using the figures reported annually by the state demographer.*

(d) [NURSING HOME.] *“Nursing home” has the meaning given in section 256B.421, subdivision 7.*

*Subd. 2. [REQUIREMENTS FOR SITING OF RESIDENTIAL PROGRAMS.] (a) In order to protect residents of state-licensed residential facilities from the potential detrimental impact of an overconcentration of facilities and to preserve the character of residential neighborhoods, the following requirements apply to the locations of state-licensed residential facilities:*

*(1) for facilities other than freestanding foster care programs, the facility must not be located within 450 feet of an existing freestanding foster care program or within 1,320 feet of another state-licensed residential facility or a facility described in subdivision 1, paragraph (a), clause (8);*

*(2) for freestanding foster care programs, the program must not be located within 450 feet of an existing state-licensed residential facility, including another freestanding foster care program, or a facility described in subdivision 1, paragraph (a), clause (8);*

*(3) the facility must not be located within an overconcentrated area; and*

*(4) if the facility will be located in a multiple-family dwelling and does not have exclusive use of the dwelling, a total of no more than 25 percent of the units or the floor area in the building may be used by the facility. In the case of two- to four-family dwellings, if the facility does not have exclusive use of the dwelling, no more than one of the units may be used by the facility.*

*(b) At the joint request of a county and a city or town, the licensing commissioner may waive one or more of the requirements of paragraph (a) if the commissioner is satisfied that the waiver will not be detrimental to the residents of affected facilities. A city or town may not submit a request for a waiver under this paragraph unless the local governing body has approved the request using the procedures for granting conditional use permits.*

*Subd. 3. [INITIAL LICENSES.] The commissioner of human services, the commissioner of health, and the commissioner of corrections shall not issue an initial license to an applicant for licensure as a state-licensed residential facility unless the facility satisfies the requirements of subdivision 2.*

*Subd. 4. [DISPERSAL OF OVERCONCENTRATED PROGRAMS.] (a) By July 1, 1990, every county shall report to the commissioner of human services on the number, location, and type of state-licensed residential facilities located in the county and the extent to which the existing locations of the facilities satisfy the requirements of subdivision 2. If the existing locations of facilities do not satisfy the requirements of subdivision 2, the*

county shall submit with the report a plan for the dispersal, downsizing, and future siting of state-licensed residential facilities. A county may prepare a joint plan with other contiguous counties. In developing the plan, the counties shall solicit the participation of license holders, local zoning and land use planning authorities, consumers, advocacy groups, and the general public. The plan must be designed to achieve the objectives of this section and must include:

(1) specific target neighborhoods, data describing the extent to which each of the target neighborhoods is overconcentrated, and the addresses and licensed capacity of facilities in the target neighborhoods;

(2) a description of the specific actions the county will take to bring the county's state-licensed residential facilities into full compliance with subdivision 2 by January 1, 1996, including changes in client placement policies and procedures, the levels of concentration that will be achieved, timeliness for achieving target levels of concentration, and the agency or agencies that will be responsible for carrying out each action;

(3) identification of priority areas for the siting of new facilities, including a description of the existing level of concentration in priority areas and the level of concentration that will exist after full implementation of the plan;

(4) specific plans for community and neighborhood education and public relations efforts to ease siting of facilities;

(5) a mechanism for soliciting and recording complaints about state-licensed residential facilities to be used in making decisions about dispersal, downsizing, and the awarding of county contracts, including samples of forms that will be used, methods for collecting information, and the objective criteria that will be used in decision making;

(6) plans for the coordinated development of related services, including projections of services that will be needed, a description of existing services in the priority areas for siting new facilities, timeliness for developing needed services, a description of the methods that will be used to develop services, and the agency or agencies that will be responsible for developing needed services;

(7) the annualized, detailed costs of implementing the plan on forms provided by the commissioner;

(8) a statement of the standards and criteria that will be used to monitor and evaluate the implementation of the dispersal plan;

(9) provisions to ensure that no person in a state-licensed residential facility will be displaced as a result of the plan until a relocation plan has been implemented that provides for an acceptable alternative placement; and

(10) for counties required to submit plans, an annual report on the county's progress toward substantial compliance with the plan which is due on July 1 of each year following July 1, 1990.

(b) By September 1, 1989, the commissioner must provide counties with planning guidelines for preparing the plans and reports. The commissioner shall approve plans and reports required under paragraph (a) if they conform with the requirements of paragraph (a), they are prepared using forms and in a manner prescribed by the commissioner, and the commissioner

determines that the plan will achieve the objectives of this section. The guidelines must be developed in consultation with the commissioners of health and corrections. The commissioner of human services shall provide copies of all plans and reports received under this subdivision to the commissioners of health and corrections. The commissioner of human services may not approve a county plan unless the plan has been approved by the commissioners of health and corrections. Within 90 days after receiving a plan or report, the commissioner shall certify whether the plan or report satisfies the requirements of this section.

(c) The commissioner may order a county that has not submitted a plan or report required under paragraph (a) to pay a fine. The commissioner shall notify the affected county of the order to pay the fine. The notice must be in writing and delivered by certified mail or personal service to the chair of the county board of commissioners or county human service board. The notice must state the reasons for ordering the fine. The notice must inform the county of the right to a contested case hearing under chapter 14. The county may appeal the commissioner's order by notifying the commissioner, by certified mail, within ten calendar days after receiving the commissioner's order.

(d) After January 1, 1991, the commissioner may order a county to pay a fine if the county does not have an approved plan. The notice and appeal provisions of paragraph (c) apply to orders issued under this paragraph.

(e) After July 1, 1991, the commissioner may order a county to pay a fine if the commissioner determines that the county has failed to make good faith efforts to implement the plan. The notice requirements of paragraph (c) apply to fines ordered under this paragraph. The notice must state the reasons for the commissioner's determination and must identify the specific actions the county must take to implement the plan. The notice must also include a timetable that sets deadlines for each required action that must be taken by the county to implement the plan. If the county fails to meet a deadline set in the commissioner's notice, the commissioner may order the county to pay an additional fine. The appeal provisions of paragraph (c) apply to fines ordered under this paragraph.

(f) The amount of the fine to be imposed by the commissioner under this section for noncompliance is ten percent of the county's annual allocation under chapter 256E, the community social services act, or \$10,000, whichever is less.

(g) After January 1, 1991, the commissioner may develop or arrange for the development of a plan for any county that does not have an approved plan, and may impose the plan upon the county. The commissioner shall calculate the actual cost of the development of the plan and withhold an equivalent amount from the community social services act funding or state administrative aids for any county affected by the plan.

(h) After January 1, 1991, the commissioner of human services, the commissioner of health, and the commissioner of corrections shall not issue or renew a residential facility license unless the county has certified that issuing or renewing the license is consistent with the county's plan developed under this subdivision. If the county is not required to have a plan, it must certify that the facility meets the standards outlined in subdivision 2. The county shall respond to a commissioner's request for certification within 15 calendar days after receiving the request.



(i) *The commissioner may not order a county to pay a fine under paragraph (e) for failure to implement a plan unless the legislature has taken action regarding the costs of implementing the plan. Beginning January 1, 1991, the commissioner shall provide an annual report to the legislature on the estimated costs to the state, counties, and providers of implementing county plans, including recommendations regarding appropriations of money and other legislative action that will be needed for full implementation of the plans by the deadlines established in this section.*

**Subd. 5. [RELOCATION PLANS FOR DISPLACED RESIDENTS.]** *No person in a state-licensed residential facility may be displaced as a result of this section until a relocation plan has been implemented that provides for an acceptable alternative placement.*

**Subd. 6. [INITIAL LICENSES ISSUED BEFORE REPORTS AND PLANS ARE SUBMITTED.]** *For the period beginning on the effective date of this section and ending June 30, 1990, if the licensing commissioner notifies a municipality under section 2, subdivision 3, of a pending application for an initial license for a residential program proposed to be located in the municipality and the municipality does not provide the commissioner with information that shows that the facility would violate the requirements of subdivision 2, the commissioner may issue an initial license without further verification that the requirements of subdivision 2 are satisfied.*

**Sec. 2. [462.3575] [REQUIREMENTS FOR HUMAN SERVICES, HEALTH, AND CORRECTIONAL RESIDENTIAL PROGRAMS.]**

**Subdivision 1. [HUMAN SERVICES PROGRAMS.]** (a) *It is the policy of this state that persons in need of residential services from programs licensed by the commissioner of human services should not be excluded from the benefits of normal residential surroundings by municipal zoning ordinances, comprehensive municipal plans, regional development plans, or other land use plans or regulations.*

(b) *A residential program licensed by the commissioner of human services with a licensed capacity of six or fewer persons is a permitted use of property in districts where one- and two-family dwellings are allowed. The program must not be subjected to conditional or special use requirements for the purposes of zoning and other land use plans or regulations. A town, municipality, or other local government authority may only impose conditions or requirements on the property that apply to all one- or two-family properties in that zoning district.*

(c) *A residential program licensed by the commissioner of human services with a licensed capacity of 16 or fewer persons is a permitted use of property in districts where multiple family dwellings are allowed. The program must not be subjected to conditional or special use requirements for the purposes of zoning and other land use plans or regulations. A town, municipality, or other local government authority may only impose conditions or requirements on the property that apply to all multiple-family properties of similar size in that zoning district.*

(d) *Nothing in this section requires local governments to allow one- or two-family dwellings in multiple-family districts.*

**Subd. 2. [CORRECTIONS PROGRAMS.]** *A residential program licensed by the commissioner of corrections with a licensed capacity of 50 or fewer residents is a permitted use of property in zones in which a hotel or motel is allowed and is not subject to conditional or special use requirements*

*for the purposes of zoning and other land use plans or regulations, provided the program is not located within 750 feet of any residential use of property. A town, municipality, or other local government authority may only impose conditions or requirements on the program that apply to similar uses in the zoning district.*

*Subd. 3. [NOTIFICATION OF MUNICIPALITIES.] The commissioner of human services, the commissioner of health, and the commissioner of corrections shall notify a municipality of a pending application for an initial license or license renewal for a residential program located within the municipality. The notice must be provided at least 45 days before the license is issued or renewed and must solicit the written comments of the municipality regarding the appropriateness of the zoning district, distance or concentration issues arising under section 1, and other matters of concern to the municipality. This subdivision does not limit the authority of the commissioner to issue or renew a license if at least 45 days' notice was provided.*

*Subd. 4. [CONCILIATION CONFERENCE.] An applicant or license holder who has been denied a conditional or special use permit to operate a residential program licensed by the commissioner of health, the commissioner of human services, or the commissioner of corrections, or who believes that the zoning or land use planning authority or other local government authority has imposed conditions on the use of property in violation of this section, may request a review of the decision by submitting a written request for review to the local government authority within ten days after the date of receiving notice of the authority's action to require or to deny a permit or to impose conditions on the use of property. Upon receipt of the request for review, the local government authority shall notify the appropriate licensing commissioner of the request and schedule a conciliation conference. The local government authority shall notify the applicant or license holder, the county, and the commissioner of the time, date, and location of the conciliation conference. The conference must occur within 30 days after receipt of the request for review. The commissioner shall assign a trained conciliator to be present at the conciliation conference and assist in the resolution of the dispute without judicial review. Within five days after the conciliation conference, the local government authority must give the applicant or license holder, the county, and the commissioner written notice, by certified mail, of the final action it will take, when the action will be taken, and the applicant or license holder's right to appeal the final action.*

**Sec. 3. [REPEALER.]**

*Minnesota Statutes 1988, sections 245A.11; and 462.357, subdivisions 6a, 7, and 8, are repealed."*

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. 659: A bill for an act relating to motor vehicles; increasing and allocating fees and motor vehicle excise tax for dealer plates; restricting use of dealer plates; amending Minnesota Statutes 1988, section 168.27, subdivision 16.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 16, after "for" insert "each of"

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. 82: A bill for an act relating to workers' compensation; regulating the location for certain physical examinations; amending Minnesota Statutes 1988, section 176.155, subdivision 1.

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. 505: A bill for an act relating to workers' compensation; establishing a legal assistance fund; appropriating money; amending Minnesota Statutes 1988, section 176.261.

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

Delete everything after the enacting clause and insert:

"Section 1. [176.2615] [LEGAL ASSISTANCE PILOT PROJECT PROGRAM.]

*Subdivision 1. [PURPOSE.] The commissioner shall establish a workers' compensation legal assistance pilot project program within the department for the purpose of providing legal representation to injured employees who meet the eligibility requirements set forth under subdivision 2.*

*Subd. 2. [ELIGIBILITY.] (a) The commissioner shall determine who is eligible to receive legal representation services under this section. To be eligible, the injured employee must:*

*(1) have a claim not exceeding \$1,500 that appears meritorious;*

*(2) be unable to obtain private counsel to represent the employee in a proceeding under this chapter, as evidenced by at least one turn down by an attorney who handles workers' compensation cases as a part of the attorney's regular practice; and*

*(3) demonstrate that an undue hardship will result or has resulted because of the employee's inability to pursue the claim for lack of private counsel willing to take the case.*

*(b) The commissioner may limit participation in the legal assistance pilot project program to the extent of funds available under the appropriation authorized under section 2.*

*Subd. 3. [FEES; COSTS AND EXPENSES.] (a) An employer or insurer and an employee are liable for attorney fees for representation provided to employees pursuant to this section to the same extent that the employer or insurer and employee would be liable in all other cases under chapter 176. The fees shall be paid directly to the special compensation fund, and shall be in an amount equal to the usual and customary fee of a private*

*attorney handling a similar matter; except that, notwithstanding section 176.081, subdivisions 7 and 7a, the employer or insurer fee calculation must also be made on the first \$250 of fees, and the employee is not responsible for the first \$250 of fees.*

*(b) The employee is liable for costs and expenses not reimbursable under section 176.511.*

Sec. 2. [APPROPRIATION.]

*\$50,000 is appropriated for the biennium ending June 30, 1991, from the special compensation fund to the commissioner of labor and industry to establish the workers' compensation legal assistance pilot project program under section 1.*

Sec. 3. [REPORT TO LEGISLATURE.]

*The commissioner of labor and industry shall report to the legislature by January 1, 1991, concerning the number of employees served under the workers' compensation legal assistance pilot project program established under section 1, the effectiveness of the program, and the need, if any, for further funding on a permanent basis of the program. The report shall include accompanying recommendations.*

Sec. 4. [EFFECTIVE DATE.]

*This act is effective July 1, 1989."*

Delete the title and insert:

*"A bill for an act relating to workers' compensation; establishing a legal assistance pilot project program; appropriating money; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 176."*

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

S.F. No. 591: A bill for an act relating to local government; providing for the appointment of certain employees of the city of Minneapolis and special school district No. 1; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended.

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

Page 2, after line 27, insert:

*"(33) Assistant intergovernmental policy analyst;"*

Page 2, line 28, delete "(33)" and insert "(34)"

Page 2, after line 30, insert:

*"Sec. 2. Laws 1986, chapter 396, section 2, subdivision 1, as amended by Laws 1987, chapter 55, section 4, is amended to read:*

*Subdivision 1. [ACTIVITIES; CONTRACTS.] The city may acquire, design, construct, equip, improve, control, operate, and maintain the convention center and related facilities. The city shall have all powers necessary*

or convenient for those purposes and may enter into any contract for those purposes, including the financing of the convention center and any related facilities.

The city may contract for construction materials, supplies, and equipment in accordance with Minnesota Statutes, section 471.345, except that it may enter into contracts with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, and construction manager with respect to all or part of a project to build or remodel the convention center and related facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the city to narrow the listing of eligible bidders to those which the city determines to possess sufficient expertise to perform the intended functions and the city may negotiate with the three lowest responsible bidders to achieve the lowest possible bid. Notwithstanding any other law or charter provision to the contrary, the city may, at the discretion of the city council, enter into agreements *relating to the convention center, related facilities or any other city construction project* with appropriate labor organizations and contractors which provide that no strike or lockout may be ordered during the term of the agreements. These provisions and necessary procedures may be utilized for the purpose of maintaining employment stability and avoiding delay or interference with the performance of the fast-track construction schedule in connection with the project. The city may require any construction manager to certify a construction price and completion date to the city. The city may require the posting of a bond in an amount determined by the city to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the city or loss of revenues resulting from incomplete construction on the completion date and any other obligations the city may require the construction manager to bear. The city shall secure surety bonds as required in Minnesota Statutes, section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in Minnesota Statutes, sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the city under the provisions of Minnesota Statutes, sections 514.01 to 514.16."

Page 2, line 31, delete "SUPERINTENDANT'S" and insert "SUPERINTENDENT'S"

Page 2, lines 32, 33, and 34, delete "*superintendent*" and insert "*superintendent*"

Page 3, line 2, delete "*Section 1 takes*" and insert "*Sections 1 and 2 take*"

Page 3, line 5, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "permitting the city of Minneapolis to enter certain agreements relating to construction projects;"

Page 1, line 6, before the period, insert "; and Laws 1986, chapter 396, section 2, subdivision 1, as amended"

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. 546: A bill for an act relating to the city of Mora; authorizing the city to negotiate certain contracts.

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

Page 1, line 6, delete "*privately*"

Page 1, line 8, before the comma, insert "*without complying with Minnesota Statutes, section 471.345, subdivisions 3 to 5*"

Amend the title as follows:

Page 1, line 3, before the period, insert "without competitive bids"

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. 532: 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 1988, section 5.03.

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. 671: A bill for an act relating to the commission on uniform state laws; providing for its composition; amending Minnesota Statutes 1988, section 3.251.

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

Page 1, line 9, strike "A" and insert "*The*" and strike "consisting" and insert "*consists*"

Page 1, line 11, strike "is created"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 435: A bill for an act relating to veterans; changing admissions, discharge, and utilization review procedures for veterans homes; granting rulemaking authority to the veterans homes board; changing certain rights and presumptions; amending Minnesota Statutes 1988, sections 198.003; 198.007; 198.022; 198.03; and 198.32; proposing coding for new law in Minnesota Statutes, chapter 198.

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

Page 1, line 17, delete “until December 31, 1989.”

Page 4, line 3, after “not” insert “automatically”

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. 596: A bill for an act relating to state government; state employees; permitting direct deposit of pay in credit unions; amending Minnesota Statutes 1988, section 16A.133, subdivision 1; repealing Minnesota Statutes 1988, section 16A.133, subdivision 3.

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

Page 1, line 10, strike “CREDIT UNION; ORGANIZATION; COMPANY” and insert “PAYROLL DEPOSIT AND DEDUCTIONS” and strike “An”

Page 1, line 11, strike “agency head” and before “shall” insert “The state of Minnesota” and strike “the” and strike “of” and insert “signed by”

Page 1, line 13, after “or” insert “financial institution, as defined in section 47.015, designated by the employee. An agency head may, upon written request of an employee.”

Page 1, line 19, after “of” insert “, or has accounts with,” and after “or” insert “financial institution or”

Page 1, line 21, after “union” insert “or financial institution”

Page 1, line 22, delete “direct”

Amend the title as follows:

Page 1, line 3, delete “direct” and after “unions” insert “and financial institutions”

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. 321 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.
321	465				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 321 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 321 and insert the language after the enacting clause of S.F. No. 465, the first engrossment; further, delete the title of H.F. No. 321 and insert the title of

S.F. No. 465, the first engrossment.

And when so amended H.F. No. 321 will be identical to S.F. No. 465, and further recommends that H.F. No. 321 be given its second reading and substituted for S.F. No. 465, 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. 509 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.
509		414			

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. 322 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.
322		454			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 322 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 322 and insert the language after the enacting clause of S.F. No. 454, the first engrossment; further, delete the title of H.F. No. 322 and insert the title of S.F. No. 454, the first engrossment.

And when so amended H.F. No. 322 will be identical to S.F. No. 454, and further recommends that H.F. No. 322 be given its second reading and substituted for S.F. No. 454, 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. 148 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:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				148	168

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. Dicklich from the Committee on Public Utilities and Energy, to which was referred the following appointment as reported in the Journal for February 2, 1989:

**PUBLIC UTILITIES COMMISSION**

Cynthia Kitlinski

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. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 657: A bill for an act relating to economic development; establishing a small business innovation research bridge grant program; 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. [SBIR BRIDGE GRANTS.]

*Subdivision 1. [AUTHORIZATION.] Minnesota project innovation may make small business innovation research (SBIR) bridge grants for the purpose of small business innovation research and development activities carried on during the period between the submission of SBIR phase 1 final reports and the effective date of an SBIR phase 2 contract. SBIR bridge grants may only be used to refine, develop, and market the product for which the SBIR phase 1 grant was awarded. The amount of an SBIR bridge grant may not exceed the amount of the federal SBIR phase 1 grant awarded to the bridge grant applicant.*

*Subd. 2. [ELIGIBILITY.] In order to qualify for an SBIR bridge grant, a grant applicant must meet the following requirements:*

*(1) is a recipient of a federal SBIR phase 1 grant;*

(2) submits an SBIR phase 2 grant application; and

(3) submits a letter of support from a local community-based organization.

*For purposes of this subdivision, "local community-based organization" means a local bank, chamber of commerce, economic development organization, or community development organization.*

Sec. 2. [APPROPRIATION.]

*\$1,500,000 is appropriated from the general fund to Minnesota project innovation for SBIR bridge grants.*

*\$480,000 is appropriated from the general fund as a grant to Minnesota project innovation to be available until July 1, 1991.*

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to economic development; authorizing small business innovation research bridge grants; appropriating money."

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. 133: A bill for an act relating to statutes; providing free copies of Minnesota Statutes to public utilities commission; amending Minnesota Statutes 1988, section 3C.12, subdivision 2.

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

Page 2, line 5, strike the second comma and insert a semicolon and delete the third comma and insert a semicolon

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 235, 82, 591, 546, 671, 435 and 133 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 321, 509, 322 and 148 were read the second time.

## MOTIONS AND RESOLUTIONS

Ms. Olson moved that her name be stricken as a co-author to S.F. No. 275. The motion prevailed.

Mrs. McQuaid moved that her name be stricken as a co-author to S.F. No. 275. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 486. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 506. The motion prevailed.

Mr. Purfeerst moved that his name be stricken as chief author, shown as a co-author and the name of Mrs. Lantry be added as chief author to S.F. No. 506. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Lessard be added as a co-author to S.F. No. 506. The motion prevailed.

Mr. Berg moved that the name of Mr. Davis be added as a co-author to S.F. No. 511. The motion prevailed.

Mr. Laidig moved that the name of Mr. Moe, D.M. be added as a co-author to S.F. No. 796. The motion prevailed.

Mr. Langseth moved that the names of Mr. DeCramer and Mrs. Lantry be added as co-authors to S.F. No. 852. The motion prevailed.

Mr. Frank moved that the name of Ms. Berglin be added as a co-author to S.F. No. 856. The motion prevailed.

Mr. Storm moved that the name of Mr. Merriam be added as a co-author to S.F. No. 926. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Spear be added as a co-author to S.F. No. 943. The motion prevailed.

Mr. Frederickson, D.J. moved that the names of Mr. Morse and Ms. Berglin be added as co-authors to S.F. No. 948. The motion prevailed.

Mr. Bernhagen moved that the names of Ms. Olson, Messrs. Langseth and Novak be added as co-authors to S.F. No. 969. The motion prevailed.

Mr. Frank moved that the names of Mr. Storm and Ms. Berglin be added as co-authors to S.F. No. 977. The motion prevailed.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 65: A Senate resolution congratulating Christina Anderson on her selection as Miss Teen Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Vickerman introduced—

Senate Resolution No. 66: A Senate resolution congratulating Kevin Lange, of Martin County West High School, Sherburn, for winning the 1989 State High School Class A 160-pound Wrestling Championship.

Referred to the Committee on Rules and Administration.

Mr. Vickerman introduced—

Senate Resolution No. 67: A Senate resolution congratulating Scott Vancura, of Heron Lake-Okabena-Lakefield High School, for winning the 1989 State High School Class A 130-pound Wrestling Championship.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 644 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 644: A bill for an act relating to medical assistance for needy persons; proposing changes to the method for calculating a nursing home's property-related payment rate upon refinancing; amending Minnesota Statutes 1988, section 256B.431, subdivisions 3f and 3g.

Mr. Knaak moved to amend S.F. No. 644 as follows:

Page 5, after line 10, insert:

"Sec. 3. [NOTIFICATION OF NURSING HOMES.]

*Within five working days after final enactment of this act, the commissioner of human services shall notify all nursing homes that are potentially eligible for a property-rate adjustment under section 2 of the provisions of this act."*

Page 5, line 11, delete "3" and insert "4"

Page 5, line 12, delete "and 2" and insert "to 3"

The motion prevailed. So the amendment was adopted.

S.F. No. 644 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 0, as follows:

Those who voted in the affirmative were:

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

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

**CALENDAR**

H.F. No. 267: A bill for an act relating to the military; reducing from two years to one year the number of years the adjutant general of the Minnesota national guard is required to serve as a brigadier general before promotion to major general; amending Minnesota Statutes 1988, section 190.07.

Was read the third time 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 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Knutson, Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 400: A bill for an act relating to horse racing; regulating the medication of horses; amending Minnesota Statutes 1988, section 240.24, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 294: A bill for an act relating to animals; providing civil and criminal penalties for the unauthorized release of research animals; amending Minnesota Statutes 1988, section 346.56, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 346.56, 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 0, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Johnson, D.J.	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	Lantry	Olson	Spear
Bernhagen	Frederick	Larson	Pariseau	Storm
Bertram	Frederickson, D.J.	Lessard	Pehler	Stumpf
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brataas	Freeman	Marty	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	McQuaid	Piper	Waldorf
Cohen	Hughes	Mehrkens	Purfeerst	
Dahl	Johnson, D.E.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 14: A bill for an act relating to crimes; restitution; revising current procedures relating to the ordering and collection of restitution; amending Minnesota Statutes 1988, sections 260.185, subdivisions 1 and 3a; 609.135, subdivision 1a; 611A.04, subdivisions 1, 2, and 3; and 611A.045; proposing coding for new law in Minnesota Statutes, chapter 611A.

Was read the third time 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:

Anderson	Davis	Johnson, D.J.	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	Solon
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pariseau	Storm
Brandl	Frederickson, D.R.	Lessard	Pehler	Stumpf
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McQuaid	Piper	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 68: A bill for an act relating to taxation; making technical corrections to the property taxation of unmined iron ore; making technical corrections and clarifications to the corporate franchise tax; retroactively providing a corporate franchise tax modification for mining income or gains; clarifying the computation of mining occupation taxes; exempting S corporations from business activity report filing requirements; repealing an obsolete reference; amending Minnesota Statutes 1988, sections 273.1104, subdivision 2; 290.01, subdivision 19d; 290.015, subdivisions 2, 3, and 4; 290.092, subdivisions 2 and 4a; 290.191, subdivisions 6 and 11; 290.371; 298.01, subdivisions 3 and 4, and by adding subdivisions; and Laws 1988, chapter 719, article 2, section 57; repealing Minnesota Statutes 1988, section 52.22.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

H.F. No. 214: A bill for an act relating to taxation; making technical corrections and clarifications to individual income and corporate franchise taxes; updating references to the Internal Revenue Code; imposing a tax and providing for withholding of certain payments to nonresidents; requiring surety payment by out-of-state contractors; amending Minnesota Statutes 1988, sections 290.01, subdivisions 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 19f; 290.06, subdivision 22; 290.067, subdivision 1; 290.0802, subdivisions 1 and 2; 290.095, subdivision 9; 290.17, subdivisions 1 and 2; 290.311, subdivision 1; 290.92, by adding subdivisions; and 291.005, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1988, section 290.01, subdivision 6a.

Was read the third time 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:

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

S.F. No. 983: 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 Environment and Natural Resources.

Messrs. Marty, DeCramer, Vickerman, Cohen and Morse introduced—

S.F. No. 984: A bill for an act relating to taxation; sales and use; repealing accelerated payment of June liability; amending Minnesota Statutes 1988, section 297A.27, subdivision 1; repealing Minnesota Statutes 1988, section 297A.275.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Novak, Purfeerst and DeCramer introduced—

S.F. No. 985: A bill for an act relating to transportation; providing that certain information submitted to department of transportation is public data; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; amending Minnesota Statutes 1988, sections 13.72, by adding a subdivision; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b; and 221.221, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221.

Referred to the Committee on Transportation.

Messrs. Pehler and Luther introduced—

S.F. No. 986: A bill for an act relating to weights and measures; simplifying definition of a firewood "cord"; requiring sale of firewood by volume; specifying firewood advertising and delivery ticket terminology; requiring a written firewood sales invoice; removing exemption from delivery ticket requirement; amending Minnesota Statutes 1988, sections 239.33; and 325E.01.

Referred to the Committee on Commerce.

Messrs. Frederick, Benson, Ms. Piper and Mr. Beckman introduced—

S.F. No. 987: A bill for an act relating to agriculture; exempting certain counties from seed potato standards; amending Minnesota Statutes 1988, section 21.1195.

Referred to the Committee on Agriculture and Rural Development.

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

S.F. No. 988: A bill for an act relating to education; imposing conditions on enrolling in, and getting a certificate for, public school driver's training courses and on certain driving privileges; amending Minnesota Statutes 1988, sections 171.04; and 171.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 126 and 171.

Referred to the Committee on Education.



Mrs. Adkins, Messrs. Schmitz, Davis, Bernhagen and Metzen introduced—

S.F. No. 989: A bill for an act relating to the town of Otsego; authorizing the town to establish an economic development authority and to exercise tax increment financing powers; granting the town the power of a city with respect to the authority.

Referred to the Committee on Economic Development and Housing.

Messrs. Pehler, Spear, Freeman, Ms. Piper and Mr. Bernhagen introduced—

S.F. No. 990: A bill for an act relating to education; creating a pilot program for at-risk youths; appropriating money.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 991: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 5 and 18; 10A.32, subdivision 3a; 13.46, subdivision 2; 13.75, subdivision 2; 16A.26; 16B.28, subdivision 3; 18B.25, subdivision 4; 45.028, subdivision 1; 69.32; 105.81; 115A.195; 115C.08, subdivision 3; 116.44, subdivision 1; 122.23, subdivision 18; 122.96, subdivision 3; 124.646, subdivision 1; 124A.24; 124A.27, subdivision 1; 127.35; 136C.61, subdivision 1; 136D.27, subdivision 3; 136D.71; 136D.74, subdivision 2b; 136D.741, subdivision 4; 136D.87, subdivision 3; 141.35; 144.122; 144.335, subdivision 2; 145A.07, subdivision 1; 145A.13; 157.03; 168.33, subdivision 2; 168A.24, subdivision 2; 168A.29, subdivision 3; 169.345, subdivision 2; 176.081, subdivision 1; 176.101, subdivision 3e; 176.131, subdivision 1; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 211B.15, subdivision 4; 214.01, subdivision 2; 245.77; 256.01, subdivision 2; 256.991; 256B.69, subdivision 16; 256D.03, subdivision 4; 256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.04, subdivision 32; 268.10, subdivision 1; 272.02, subdivision 1; 273.124, subdivision 6; 290.05, subdivision 3; 290.92, subdivision 23; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 308.11; 340A.414, subdivision 6; 349.213, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 363.06, subdivision 4; 383B.229; 383B.77; 383C.331; 383C.334; 469.0721; 469.121, subdivision 1; 469.129, subdivision 1; 471.562, subdivision 4; 471.563; 473.605, subdivision 2; 473.845, subdivision 1; 474A.02, subdivision 18; 480A.02, subdivision 7; 485.018, subdivision 2; 515A.3-115; 525.94, subdivision 3; 548.09, subdivision 2; 604.02, subdivision 1; 609.506, subdivision 1; and 611A.53, subdivision 1; reenacting Minnesota Statutes 1988, section 80A.14, subdivision 18; repealing Minnesota Statutes 1988, sections 260.125, subdivision 6; 326.01, subdivision 21; and 362A.08; amending Laws 1976, chapter 134, section 79; Laws 1988, chapter 640, section 5; and chapter 719, article 12, section 29; repealing Laws 1965, chapter 267, section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapter 2, section 62; chapter 134, section 2; chapter 163, section 10; and chapter 173, section 53; Laws 1977, chapter 35, section 8; Laws 1978, chapter 496, section 1; and chapter 706, section 31; Laws 1979, chapter

48, section 2; and chapter 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapter 242, section 1; chapter 247, section 38; chapter 289, section 4; chapter 290, sections 2 and 3; chapter 299, section 26; and chapter 303, sections 21 and 22; Laws 1984, chapter 654, article 2, section 117; Laws 1986, chapter 312, section 1; chapter 400, section 43; and chapter 452, section 17; Laws 1986, First Special Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapter 268, article 5, section 5; chapter 384, article 2, section 25; chapter 385, section 7; chapter 403, article 5, section 1; and chapter 404, section 138.

Referred to the Committee on Judiciary.

Messrs. Cohen and Metzen introduced—

S.F. No. 992: A bill for an act relating to taxation; sales and use; exempting construction materials purchased under a lump-sum contract for use by certain nonprofit entities; amending Minnesota Statutes 1988, section 297A.25, subdivision 16.

Referred to the Committee on Taxes and Tax Laws.

Mr. Cohen introduced—

S.F. No. 993: A bill for an act relating to human services; endorsing the store-to-door grocery delivery program for elderly and disabled citizens; appropriating money for a grant to expand the program.

Referred to the Committee on Health and Human Services.

Messrs. Purfeerst; Langseth; Moe, D.M.; Benson and Mrs. Lantry introduced—

S.F. No. 994: A bill for an act relating to transportation; transferring motor carrier regulatory responsibilities from department of transportation to department of public safety; making technical corrections; amending Minnesota Statutes 1988, sections 13.69, by adding subdivisions; 168.82, subdivision 1; 169.04; 169.073; 169.09, subdivision 13; 169.80, subdivision 1; 169.81, subdivisions 1, 2, and 3; 169.825, subdivision 11; 169.833, subdivision 3; 169.86; 169.862; 174A.02, subdivision 2; 216.13; 216A.08; 221.011, subdivisions 2 and 2a; 221.221, subdivision 2; 221.65; 296.17, subdivision 20; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 1988, section 13.72, subdivisions 4 and 5.

Referred to the Committee on Transportation.

Mr. Purfeerst introduced—

S.F. No. 995: A bill for an act relating to alcoholic beverages; requiring registration numbers on kegs and barrels of beer and records of their sale; increasing penalties for selling or furnishing alcoholic beverages to a minor under certain circumstances; amending Minnesota Statutes 1988, sections 340A.701; and 340A.702; proposing coding for new law in Minnesota Statutes, chapter 340A.

Referred to the Committee on Commerce.

Mr. Purfeerst introduced—

S.F. No. 996: A bill for an act relating to taxation; income; excluding certain retirement income of federal employees; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Novak, Benson, Dicklich, Merriam and Beckman introduced—

S.F. No. 997: A bill for an act relating to the environment; authorizing the pollution control agency to assist persons in reviewing real property for petroleum tank releases and to be paid for such assistance; authorizing expenditures from the petroleum tank release compensation fund; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; requiring notification by owners of aboveground tanks; amending Minnesota Statutes 1988, sections 115C.03, by adding a subdivision; 115C.08, subdivision 4; 115C.09; and 116.48.

Referred to the Committee on Environment and Natural Resources.

Mrs. Pariseau, Ms. Olson, Mr. Metzen, Mrs. Adkins and Mr. Vickerman introduced—

S.F. No. 998: A bill for an act relating to Dakota county; permitting the county to pay costs of a morgue; proposing coding for new law in Minnesota Statutes, chapter 383D.

Referred to the Committee on Local and Urban Government.

Messrs. Freeman, Pehler and Novak introduced—

S.F. No. 999: A bill for an act relating to taxation; providing an income tax exclusion for interest earned on series EE bonds used to meet qualified higher education expenses; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Davis; Samuelson; Frederickson, D.J.; Vickerman and Morse introduced—

S.F. No. 1000: A bill for an act relating to agriculture; providing drought emergency relief; establishing a program to reimburse farmers for reseeding of hay land and certain purchased hay, a damaged water well grant program, and a federal crop insurance grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Merriam, Ms. Reichgott, Messrs. Cohen and McGowan introduced—

S.F. No. 1001: A bill for an act relating to the community dispute resolution program; giving the state planning agency joint responsibility with the state court administrator's office for administration of the program; establishing eligibility criteria for grant recipients; appropriating money; amending Minnesota Statutes 1988, sections 494.01, subdivisions 1 and

2; proposing coding for new law in Minnesota Statutes, chapter 494; repealing Minnesota Statutes 1988, sections 494.01, subdivisions 3, 4, and 5; and 494.04.

Referred to the Committee on Judiciary.

Messrs. Vickerman, Beckman, Davis and DeCramer introduced—

S.F. No. 1002: A bill for an act relating to licensure of ambulance services; establishing new standards; amending Minnesota Statutes 1988, sections 144.801, subdivisions 4 and 7; 144.802, subdivisions 3, 3a, 4, and by adding a subdivision; 144.804; 144.806; 144.807, subdivision 1; 144.808; 144.809; and 144.8091; repealing Minnesota Statutes 1988, sections 144.805; 144.807, subdivision 3; and 144.8092.

Referred to the Committee on Health and Human Services.

Messrs. Decker, Renneke and Mrs. Pariseau introduced—

S.F. No. 1003: A bill for an act relating to transportation; providing for distribution of proceeds from the motor vehicle excise tax; amending Minnesota Statutes 1988, section 297B.09, subdivision 1.

Referred to the Committee on Transportation.

Mr. Larson introduced—

S.F. No. 1004: A bill for an act relating to public lands; stating legislative findings and prohibiting transfer of the Many Point Lake public access site in Becker county.

Referred to the Committee on Environment and Natural Resources.

Mr. Mehrkens introduced—

S.F. No. 1005: A bill for an act relating to real property; appropriating money for grant-in-aid assistance to the Red Wing port authority to acquire lands for historic preservation and educational purposes.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Cohen and Metzen introduced—

S.F. No. 1006: A bill for an act relating to taxation; property; limiting increases in the market value of homesteads; amending Minnesota Statutes 1988, section 273.11, subdivision 1, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Ramstad, Benson and Belanger introduced—

S.F. No. 1007: A bill for an act relating to taxation; property; changing income qualifications for class 1b treatment; amending Minnesota Statutes 1988, section 273.13, subdivision 22.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bernhagen, Lessard, Stumpf, Berg and Johnson, D.E. introduced—

S.F. No. 1008: A bill for an act relating to animals; authorizing the taking of certain muskrats that are causing damage; amending Minnesota Statutes 1988, section 97B.655, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Renneke and Schmitz introduced—

S.F. No. 1009: A bill for an act relating to Carver county; providing for the location of offices for the county attorney, court administrator, and sheriff, and for the location of the district court and the county jail.

Referred to the Committee on Local and Urban Government.

Messrs. Hughes, Waldorf, DeCramer, Dahl and Knutson introduced—

S.F. No. 1010: A bill for an act relating to education; appropriating money for a study of educational facilities.

Referred to the Committee on Education.

Messrs. Purfeerst and Bertram introduced—

S.F. No. 1011: A bill for an act relating to highways; redesignating the AMVETS memorial highway as the American Veterans Memorial Highway; amending Minnesota Statutes 1988, section 161.14, subdivision 23.

Referred to the Committee on Transportation.

Mr. Knaak introduced—

S.F. No. 1012: A bill for an act relating to transportation; providing for distribution of proceeds from the motor vehicle excise tax; amending Minnesota Statutes 1988, section 297B.09, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Knaak and Laidig introduced—

S.F. No. 1013: A bill for an act relating to transportation; requiring commissioner of transportation to reduce operating assistance to certain transit providers who do not earn revenue from an advertising contract; amending Minnesota Statutes 1988, section 174.24, subdivision 3.

Referred to the Committee on Transportation.

Mr. Diessner, Ms. Piper, Messrs. Novak, Luther and Dahl introduced—

S.F. No. 1014: A bill for an act relating to insurance; regulating agent licensing; regulating Medicare supplement plans; modifying required levels of coverages; amending Minnesota Statutes 1988, sections 60A.17, subdivision 6c, and by adding a subdivision; 62A.31, subdivision 2; 62D.104; 62D.121, subdivision 3; 62D.181, subdivision 4; and 62E.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1988, sections 62A.32; 62A.33; 62A.34; and 62A.35.

Referred to the Committee on Commerce.

Messrs. Decker, Frederick, Frank, Renneke and Vickerman introduced—

S.F. No. 1015: 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 Judiciary.

Messrs. Decker; Davis; Frederickson, D.J.; Vickerman and Renneke introduced—

S.F. No. 1016: A bill for an act relating to Beltrami county; authorizing the Beltrami county board to regulate dogs and cats within the county by ordinance.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Frederickson, D.J.; Beckman; Marty and Novak introduced—

S.F. No. 1017: A bill for an act relating to environment; authorizing a label for environmentally-safe products; proposing coding for new law in Minnesota Statutes, chapter 325F

Referred to the Committee on Environment and Natural Resources.

Messrs. Frank, Mehrkens and Mrs. Lantry introduced—

S.F. No. 1018: A bill for an act relating to traffic regulations; dedicating seat belt violation fines to emergency medical services relief account; amending Minnesota Statutes 1988, section 169.686, subdivision 3.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 1019: A bill for an act relating to animals; establishing a state program for spaying and neutering certain animals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 346.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Pehler; Peterson, R.W.; Dicklich; Ms. Peterson, D.C. and Mr. Knutson introduced—

S.F. No. 1020: A bill for an act relating to state government; authorizing the Minnesota Educational Computing Corporation to sell or offer for sale all or substantially all of the assets or any of the ownership of the Minnesota Educational Computing Corporation; clarifying disposition of assets upon dissolution; amending Minnesota Statutes 1988, sections 119.04, subdivision 2, and by adding subdivisions; and 119.09.

Referred to the Committee on Governmental Operations.

Mr. Benson introduced—

S.F. No. 1021: A bill for an act relating to education; approving a capital loan to independent school district No. 533.

Referred to the Committee on Education.

Mr. Frank introduced—

S.F. No. 1022: A bill for an act relating to economic development; requiring a job impact statement of certain government units; providing prefeasibility study grants; requiring the legislative auditor to study economic development and training programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 1023: A bill for an act relating to recreational vehicles; providing for temporary permits to operate snowmobiles or all-terrain vehicles; amending Minnesota Statutes 1988, sections 84.82, subdivision 1a, and by adding a subdivision; and 84.922, subdivision 1, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Laidig introduced—

S.F. No. 1024: A bill for an act relating to retirement; excluding members of the Forest Lake volunteer fire department from membership in the public employees retirement association.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1025: A bill for an act relating to school districts; providing employment rights for nonteaching employees of districts affected by consolidation, dissolution, or interdistrict cooperation; giving teachers and other employees of school districts an option to retire before age 65 with no reduction in annuities under certain circumstances; appropriating money; amending Minnesota Statutes 1988, sections 122.532, subdivision 2, and by adding a subdivision; 122.541, subdivisions 4 and 5; 353.30, subdivision 1a; 354.44, subdivision 6; and 354A.31, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Dicklich introduced—

S.F. No. 1026: A bill for an act relating to natural resources; promoting Minnesota horticultural peat; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Messrs. Morse, Merriam, Dahl and Frank introduced—

S.F. No. 1027: A bill for an act relating to housing; making provisions for manufactured home park security deposits; amending Minnesota Statutes 1988, section 327C.02, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Messrs. Morse and Davis introduced—

S.F. No. 1028: A bill for an act relating to agriculture; requiring dairy products processed or manufactured with milk from cows that have been administered bovine somatotropin to be labeled if sold or offered for sale; restricting use of bovine somatotropin; authorizing dispensing and administering of bovine somatotropin only by licensed veterinarians; prescribing penalties; amending Minnesota Statutes 1988, sections 151.01, subdivision 28; 151.15, subdivision 3; and 151.25; proposing coding for new law in Minnesota Statutes, chapter 32.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Moe, D.M.; Morse; Pogemiller and Renneke introduced—

S.F. No. 1029: A bill for an act relating to retirement; various statewide or major public pension plans; mandating the establishment of bounce-back optional joint and survivor annuity forms; amending Minnesota Statutes 1988, sections 136.82, subdivision 2; 352.116, subdivision 3; 352B.08, subdivision 3; 353.30, subdivision 3; 354.45, subdivision 1; 354A.32; 422A.17; and 490.124, subdivision 11.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller introduced—

S.F. No. 1030: A bill for an act relating to retirement; allowing payment of certain premiums on tax sheltered annuities as an exception to the prohibition on supplemental pension plans; amending Minnesota Statutes 1988, section 356.24.

Referred to the Committee on Governmental Operations.

Mrs. Lantry, Mr. Merriam, Ms. Peterson, D.C.; Messrs. Ramstad and Johnson, D.E. introduced—

S.F. No. 1031: A bill for an act relating to health; establishing notice requirements for emergency medical services personnel who are first responders; providing safeguards for first responders against exposure to infectious diseases; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mr. Peterson, R.W. introduced—

S.F. No. 1032: 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.



**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 16, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-SECOND DAY

St. Paul, Minnesota, Thursday, March 16, 1989

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

Prayer was offered by the Chaplain, Rev. Parry Paraschou.

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

Adkins	Davis	Laidig	Moe, R.D.	Renneke
Anderson	Decker	Langseth	Morse	Schmitz
Beckman	Dicklich	Lantry	Novak	Solon
Benson	Diessner	Larson	Olson	Spear
Berg	Frank	Lessard	Pariseau	Storm
Berglin	Frederickson, D.J.	Luther	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Marty	Peterson, D.C.	Taylor
Bertram	Freeman	McGowan	Peterson, R.W.	Vickerman
Brandl	Gustafson	McQuaid	Piper	Waldorf
Brataas	Hughes	Mehrkens	Pogemiller	
Chmielewski	Johnson, D.E.	Merriam	Purfeerst	
Cohen	Johnson, D.J.	Metzen	Ramstad	
Dahl	Knaak	Moe, D.M.	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. Belanger, DeCramer, Kroening and Samuelson were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 24, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Liz (Mary E.) Anderson, 914 Parkview, St. Paul, Ramsey County, has been appointed by me, effective February 25, 1989, for a term expiring

the first Monday in January, 1993.

James Senden, 507 - 17th Ave. N.W., New Brighton, Ramsey County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

Ken Kunzman, 15449 S. Ham Lake Dr., Ham Lake, Anoka County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

Margaret Schreiner, 1795 Monterey Ln., Eagan, Dakota County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

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

February 24, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Dottie Rietow, 1317 Kilmer Ave. S., St. Louis Park, Hennepin County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

Mary Hauser, 616 Hall Ave., Birchwood, Washington County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

David Fisher, 5047 Gladstone Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

Dirk DeVries, 18600 Woolman Dr., Minnetonka, Hennepin County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

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

March 3, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointments to the Hazardous Substance Injury Compensation Board are hereby respectfully submitted to the Senate for confirmation as required by law:

John Phillips, 5604 Grand Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1995.

Debra McBride, 876 Westwind Dr., Little Canada, Ramsey County, has been appointed by me, effective February 1, 1989, for a term expiring the

first Monday in January, 1995.

(Referred to the Committee on Judiciary.)

Sincerely,  
Rudy Perpich, Governor

March 9, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
204		7	1124 hours March 9	March 9
574		8	1125 hours March 9	March 9
32		5	1853 hours March 9	March 9

Sincerely,  
Joan Anderson Growe  
Secretary of State

March 14, 1989

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. 300.

Sincerely,  
Rudy Perpich, Governor

March 14, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
	113	9	1042 hours March 14	March 14
300		10	1144 hours March 14	March 14

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 Files, herewith transmitted: H.F. Nos. 300, 481, 937 and 664.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 13, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 300: A bill for an act relating to occupational safety and health; increasing certain penalties; proposing changes to the employee right-to-know act of 1984; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 14, 15, and by adding a subdivision; and 182.653, subdivisions 4b, 4c, and 4f; repealing Minnesota Statutes 1988, section 182.651, subdivision 16.

Referred to the Committee on Employment.

H.F. No. 481: A bill for an act relating to the city of Mora; authorizing the city to negotiate certain contracts.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 546, now on General Orders.

H.F. No. 937: A bill for an act relating to commerce; uniform commercial code; providing a 20-day notice period for certain fixture filings; amending Minnesota Statutes 1988, section 336.9-313.

Referred to the Committee on Commerce.

H.F. No. 664: A bill for an act relating to local government; providing for the appointment of certain employees of the city of Minneapolis and special school district No. 1; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 591, 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. 476. The motion prevailed.

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

S.F. No. 486: A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection

or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring that a child be in imminent danger for detention; permitting social services to release for detention; requiring finding of reasonable efforts at detention; and imposing requirements for disposition case plans; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141; 260.155, subdivisions 4 and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; and 260.191, subdivisions 1a and 1e.

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

Page 2, lines 12 and 13, delete "*appropriate and available*"

Page 2, line 13, after "*services*" insert "*that are appropriate and available, or may reasonably be developed.*"

Page 4, line 23, delete "*or*" and insert "*and*"

Page 4, line 34, delete "*trial*" and insert "*proceeding*"

Page 7, line 3, before "*when*" insert "*when a child is the subject of suspected physical or sexual abuse or*"

Page 7, line 23, after the first comma, insert "*subdivision 1,*"

Page 10, line 2, after "(a)" insert "*or clause (c)(2)*" and strike "*or had been found in*"

Page 10, line 3, strike the old language and delete the new language

Page 10, line 4, strike "*endanger the child's health or welfare,*"

Page 10, line 16, after the second comma, insert "*foster parent,*"

Page 11, line 15, before "*or*" insert "*foster parent,*" and after "*custodian*" insert "*, guardian ad litem,*"

Page 11, line 20, before "*or*" insert "*foster parent,*"

Page 11, line 23, after the period, insert "*Actions required of the child or the child's parent, guardian, foster parent, or custodian in the case plan must be limited to those reasonably necessary to remedy the circumstances that formed the basis of the adjudication that the child was in need of protection or services.*"

Page 11, after line 33, insert:

"(2) *any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of initial adjudication, and whether those services or resources were provided or the basis for denial of the services or resources;*"

Page 11, line 34, delete "(2)" and insert "(3)"

Page 11, line 36, delete "(3)" and insert "(4)"

Page 12, line 2, delete "(4)" and insert "(5)"

Page 12, line 4, delete "(5)" and insert "(6)"

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. 468: A bill for an act relating to human services; clarifying methods of determining the cost of care rendered at state facilities; allowing the commissioner of human services to charge on a fee for service basis; clarifying responsibility for collection of the cost of care at state-operated, community-based programs for persons with mental retardation or related conditions; clarifying legislative intent to allow the commissioner of human services to continue to collect for cost of care of persons treated for chemical dependency at state facilities; amending Minnesota Statutes 1988, section 246.50, subdivisions 3, 4, and 5, and by adding a subdivision; repealing Minnesota Statutes 1988, section 246.50, subdivisions 3a, 4a, and 9.

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

Page 3, line 1, after the comma, insert "*depreciation of buildings and equipment,*"

Page 3, lines 5 and 6, delete "*cost on a per service charge,*" and insert "*a charge per service*"

Page 3, lines 7 and 8, delete "*, and a margin for working capital and projected capital needs*"

Page 3, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 1988, section 246.54, is amended to read:  
246.54 [LIABILITY OF COUNTY; REIMBURSEMENT.]

Except for chemical dependency services provided under sections 254B.01 to 254B.09, the patient's or resident's county shall pay to the state of Minnesota a portion of the cost of care provided in a regional treatment center to a patient or resident legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payments shall be paid as follows: payments to the state from the county shall equal ten percent of the ~~per capita rate~~ *cost of care*, as determined by the commissioner, for each day, or the portion thereof, that the patient or resident spends at a regional treatment center. If payments received by the state under sections 246.50 to 246.53 exceed 90 percent of the ~~per capita rate~~ *cost of care*, the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the patient or resident, the patient's or resident's estate, or from the patient's or resident's relatives, except as provided in section 246.53. No such payments shall be made for any patient or resident who was last committed prior to July 1, 1947."

Amend the title as follows:

Page 1, line 13, delete "section" and insert "sections"

Page 1, line 14, delete "*, and by adding a subdivision*" and insert "*; and 246.54*"

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. 195: A bill for an act relating to human services; giving subpoena power to the ombudsman for mental health and retardation; requiring reporting of death or serious injury; amending Minnesota Statutes 1988, sections 245.91, by adding a subdivision; and 245.94, subdivision 1, and by adding a subdivision.

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

Page 1, line 24, after "*foreign*" insert "*substances and*" and delete "*a physician*"

Page 1, line 25, delete "*considers*" and insert "*are*"

Page 1, line 26, delete "*and*"

Page 1, after line 26, insert:

*"(12) heat exhaustion or sun stroke; and"*

Page 2, line 1, delete "*(12)*" and insert "*(13)*"

Page 2, line 36, after the period, insert "*Data obtained from a person under this paragraph are private data as defined in section 13.02, subdivision 12.*"

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. 342: A bill for an act relating to health; requiring a person to be licensed to perform radon work; regulating radon testing and mitigation work; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Delete everything after the enacting clause and insert:

"Section 1. [326.83] [TITLE.]

*Sections 326.83 to 326.89 may be cited as the "radon research and remediation act."*

Sec. 2. [326.84] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] As used in sections 326.83 to 326.89, the following terms have the meanings given them in this section.*

*Subd. 2. [PERSON.] "Person" means any individual, partnership, association, private corporation, or other private business entity.*

*Subd. 3. [RADON.] "Radon" means the radioactive noble gas radon-222 and the short-lived radionuclides that are products of radon-222 decay, including polonium-218, lead-214, bismuth-214, and polonium-214.*



Sec. 3. [326.85] [DUTIES OF THE COMMISSIONER OF HEALTH.]

*Subdivision 1. [RADON EDUCATION.] (a) The commissioner of health shall establish and maintain a toll-free number to provide information about radon. The commissioner of health shall also hold public meetings and publish material the commissioner of health determines is necessary to inform the public about radon. The commissioner of health shall make written materials about radon testing and remediation available to realtors, builders, public libraries, building code enforcement officials, hardware stores, and home improvement stores for free distribution.*

*(b) The commissioner of health must make available technical information the commissioner of health determines is necessary or useful to help assure testing, building, and mitigation practices that will accurately identify radon levels and will help reduce or abate radon problems. The commissioner of health must distribute this information to radon mitigation companies, builders, radon testing companies, and local officials.*

*(c) The commissioner of health may charge a fee for educational materials based on the cost of producing the materials.*

*Subd. 2. [RADON RESEARCH.] (a) The commissioner of health shall undertake research and publish the results of the research in the following areas:*

- (1) radon mitigation techniques for single-family homes;*
- (2) soil gas testing to determine radon source levels;*
- (3) radon testing procedures for schools, licensed day care centers, and publicly owned residential facilities;*
- (4) testing and remediation techniques for apartment buildings and other multiple-family dwellings with particular emphasis on below-grade units;*
- (5) health risk assessments using varying exposure levels and lengths of exposure;*
- (6) the estimation of long-term radon and radon daughter product levels;*
- (7) radon levels in selected public buildings; and*
- (8) other subjects the commissioner of health determines require research.*

*(b) To the extent possible, consistent with the objectives of the research, homes of low-income residents shall be selected for research under this subdivision. Studies conducted by the commissioner of health may not duplicate work available from the federal government or from other sources. The commissioner of health may establish priorities among the areas of research listed in this subdivision.*

Sec. 4. [326.86] [STATE PLUMBING CODE.]

*The commissioner of administration, in consultation with the commissioner of health, shall adopt changes to the state plumbing code that the commissioner of administration finds are necessary to minimize infiltration of soil gas into buildings. The changes shall be adopted within six months after federal standards are adopted.*

Sec. 5. [326.87] [STATE BUILDING CODE.]

*The commissioner of administration shall adopt changes to the state building code that the commissioner of administration finds are needed to*

*minimize the accumulation of excess levels of radon in buildings. The changes shall be adopted within six months after federal standards are adopted.*

Sec. 6. [326.88] [REPORT OF RADON TEST DATA.]

*A person who conducts radon tests in Minnesota must submit a copy of the test results to the department of health. The test results need not include the name of the property owner but must include the street address of the building. The street addresses of buildings for which data is collected under this section are nonpublic data. A government agency may share the data, including street addresses, with other government agencies.*

Sec. 7. [326.89] [MANDATORY TESTING.]

*Public and private schools and licensed day care centers must conduct an initial screening test for radon by July 1, 1991. The commissioner of administration may by rule require additional testing.*

Sec. 8. [STUDY.]

*The commissioner of administration shall study the feasibility and necessity of consumer protection measures in the area of radon testing and mitigation, including a review of certification and licensure, education and experience requirements for testers and mitigators, standards for testing and remediation, and other issues identified by the commissioner. The commissioner shall report to the legislature by December 1, 1989, with the results of the study and recommendations regarding legislative action.*

Sec. 9. [APPROPRIATIONS.]

*Subdivision 1. \$100,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 1.*

*Subd. 2. \$235,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (1).*

*Subd. 3. \$240,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (2).*

*Subd. 4. \$18,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (3).*

*Subd. 5. \$255,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (4).*

*Subd. 6. \$40,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (5).*

*Subd. 7. \$47,500 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (6).*

*Subd. 8. \$9,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (7).*

*Subd. 9. \$60,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6.*

*Subd. 10. The department of health complement is increased by . . . . persons.*

*Subd. 11. \$ . . . . . is appropriated from the general fund to the commissioner of administration for the biennium ending June 30, 1991, to carry out the requirements of sections 4, 5, and 8."*

Delete the title and insert:

"A bill for an act relating to health; requiring the commissioner of health to conduct radon research and engage in educational activities; requiring amendments to the state plumbing code and building code to minimize exposure to radon; requiring a study; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326."

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

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

S.F. No. 748: A bill for an act relating to human services; establishing state child mortality review panel; authorizing the state to require local reviews; protecting data generated by the review panel as confidential and nondiscoverable; clarifying neglect or endangerment of a child; amending Minnesota Statutes 1988, sections 256.01, by adding a subdivision; 609.378; 626.556, subdivision 2; and 626.558.

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

Page 1, after line 10, insert:

"Section 1. [145.898] [SUDDEN INFANT DEATH.]

*The commissioner of health shall develop uniform guidelines and protocols for coroners and medical examiners conducting death scene investigations and autopsies of children under two years of age who die suddenly under circumstances that might be attributed to sudden infant death syndrome."*

Page 2, line 3, delete "and" and after "providers" insert ", and educators"

Page 2, after line 36, insert:

"Sec. 3. Minnesota Statutes 1988, section 383B.225, is amended by adding a subdivision to read:

*Subd. 14. [SUDDEN INFANT DEATH.] If a child under the age of two years dies suddenly and unexpectedly under circumstances indicating that the death may have been caused by sudden infant death syndrome, the county medical examiner or designated pathologist shall conduct a complete autopsy and notify the child's parents or guardian that an autopsy is required to establish the cause of death as sudden infant death syndrome. If an autopsy reveals that sudden infant death syndrome is the cause of death, that fact must be stated in the autopsy report. The parents or guardian of the child shall be promptly notified of death and of the availability*

*of counseling services.*

Sec. 4. Minnesota Statutes 1988, section 390.11, subdivision 10, is amended to read:

Subd. 10. [SUDDEN INFANT DEATH.] If a child under the age of two years dies suddenly and unexpectedly under circumstances indicating that the death may have been caused by sudden infant death syndrome, the coroner, medical examiner, ~~or personal physician~~ or designated pathologist shall *conduct a complete autopsy and* notify the child's parents or guardian that an autopsy is ~~essential~~ *required* to establish the cause of death as sudden infant death syndrome. If an autopsy reveals that sudden death syndrome is the cause of death, that fact must be stated in the autopsy report. The parents or guardian of the child shall be promptly notified of the cause of death and of the availability of counseling services.

Sec. 5. Minnesota Statutes 1988, section 390.32, is amended by adding a subdivision to read:

*Subd. 11. [SUDDEN INFANT DEATH.] If a child under the age of two years dies suddenly and unexpectedly under circumstances indicating that the death may have been caused by sudden infant death syndrome, the coroner, medical examiner, or designated pathologist shall conduct a complete autopsy and notify the child's parents or guardian that an autopsy is required to establish the cause of death as sudden infant death syndrome. If an autopsy reveals that sudden infant death syndrome is the cause of death, that fact must be stated in the autopsy report. The parents or guardian of the child shall be promptly notified of death and of the availability of counseling services."*

Page 3, line 15, after the period, insert "*If a parent, guardian, or caretaker responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment or care is "health care," for purposes of this clause.*"

Page 3, line 24, delete "*substantial*"

Page 3, line 26, delete "*(a)*"

Page 3, lines 32 to 35, delete the new language and strike the old language

Page 3, line 36, strike "*as used in*" and delete "*subdivision 1, paragraph (a),*" and strike "*clause*" and delete "*(1)*" and strike the period

Page 4, line 34, after the first comma, insert "*in lieu of medical care,*"

Page 5, line 2, strike "10" and insert "2a" and strike "(e)" and insert "(5)"

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "requiring an autopsy in cases involving sudden death of an infant; requiring the commissioner of health to develop uniform procedures for coroner and medical examiner investigations relating to sudden deaths of infants;"

Page 1, line 8, after the first semicolon, insert "383B.225, by adding a subdivision; 390.11, subdivision 10; 390.32, by adding a subdivision;"

Page 1, line 9, before the period, insert "; proposing coding for new

law in Minnesota Statutes, chapter 145”

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

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

H.F. No. 512: A bill for an act relating to local government; authorizing towns to require a bond or other security in establishing cartways; amending Minnesota Statutes 1988, section 164.08, subdivision 2.

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. 643: A bill for an act relating to peace officers; establishing reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

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

Page 1, delete lines 10 and 11 and insert:

“(b) “Peace officer” means a person who is licensed under section 626.84, subdivision 1, paragraph (c).”

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 128: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1988, section 197.23.

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

Page 1, line 11, reinstate the stricken language

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 700: A bill for an act relating to the military; enacting financial incentives for members of the national guard; creating cash bonus and tuition reimbursement programs; appropriating money; providing that the appropriations for the national guard cash bonus and tuition assistance programs are available until expended and that the appropriation for one program may be used for the other; amending Laws 1988, chapter 686, section 21.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 11, after "1." insert "[192.50]"

Page 1, line 14, delete "\$100" and insert "\$300"

Page 3, line 31, strike "\$100" and insert "\$300"

Page 6, delete section 5

Amend the title as follows:

Page 1, line 9, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 192"

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. 879: A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116I.01, subdivision 3; 116I.05; 216D.01, subdivisions 9 and 10, and by adding a subdivision; 299F.56, subdivisions 5 and 6a; 299F.57; 299F.59, subdivision 1; 299F.60; 299F.61; 299F.62; 299F.63; 299F.631; 299F.641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, sections 299J.05 and 299J.09.

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

Page 2, delete lines 30 to 35 and insert:

*"Subdivision 1. [PENALTY.] A person who is engaged in excavation for remuneration or an operator other than an operator subject to section 11 who violates sections 216D.01 to 216D.07 is subject to a civil penalty to be imposed by the commissioner not to exceed \$500 for each violation per day of violation."*

Page 3, delete lines 18 to 30

Page 4, line 11, delete "*the district in the state of Minnesota*" and insert "*district court in the district*"

Page 4, line 12, after "*business*" insert "*in the state*"

Page 7, line 6, strike "(a)" and insert "(1)"

Page 7, line 9, strike "(b)" and insert "(2)"

Page 7, line 10, strike the second "and"

Page 7, line 11, strike "(c)" and insert "(3)"

Page 7, line 14, before the period, insert ": and

*(4) comply with sections 216D.01 to 216D.07, the one call excavation notice system"*

Page 20, line 5, strike "at times"

Page 20, line 6, before "*specified*" insert "*as*"

Page 21, after line 17, insert:

“Sec. 21. Minnesota Statutes 1988, section 299J.05, is amended to read:  
299J.05 [PIPELINE SETBACK ORDINANCE.]

(a) The commissioner shall adopt a model ordinance under chapter 14 requiring a setback from pipelines in areas where residential or other development is allowed. The model ordinance must apply only to new development and not to development that has occurred, or for which development permits have been issued, before the effective date of the ordinance.

(b) By August 1, ~~1989~~ 1991, each statutory or home rule charter city, town, or county that has planning and zoning authority under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.365, and in which a pipeline is located, shall adopt a pipeline setback ordinance that meets or exceeds the minimum standards of the model ordinance and is approved by the commissioner. The model ordinance applies in a jurisdiction where the local governmental unit does not adopt a setback ordinance that is approved by the commissioner by August 1, ~~1989~~ 1991.”

Page 25, line 28, delete “sections 299J.05 and 299J.09, are” and insert “section 299J.09, is”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after “299J.04;” insert “299J.05;”

Page 1, line 13, delete “sections 299J.05 and” and insert “section”

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

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

S.F. No. 852: A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; increasing dealer's motor vehicle tax; eliminating use of dealer plates by other family members; providing for annual adjustment of gasoline tax rate; reducing shrinkage allowance; transferring an additional ten percent of motor vehicle excise tax receipts for highways and transit; authorizing sale of state transportation bonds; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 168.013, subdivision 1a; 168.27, subdivision 16; 296.02, subdivision 1b, and by adding a subdivision; 296.14, subdivision 1; and 297B.09, subdivision 1; 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, after line 26, insert:

“Sec. 4. Minnesota Statutes 1988, section 162.081, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT CREATED.] A town road account is created in the county state-aid highway fund, consisting of ~~37 percent of the amounts~~

*transferred from the county turnback account as provided in section 161.082."*

Pages 5 to 7, delete section 5

Pages 8 and 9, delete section 8

Page 11, line 14, delete "10" and insert "9"

Page 13, line 4, delete "Sections 1 to 11 are" and insert "This act is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the first semicolon

Page 1, delete line 8

Page 1, line 9, delete "members;"

Page 1, line 10, delete "reducing shrinkage allowance;"

Page 1, line 15, after the second semicolon, insert "162.081, subdivision 1;"

Page 1, line 16, delete everything after the first semicolon

Page 1, line 18, delete "296.14, 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. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 38: A bill for an act relating to taxation; requiring a registration certificate for park trailers; imposing a registration tax on park trailers; requiring owners of unregistered park trailers to pay property tax; imposing motor vehicle excise tax on park trailers; providing that motor vehicle dealers may sell park trailers; amending Minnesota Statutes 1988, sections 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; and 297B.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 168.

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 1988, 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, and park trailers.

(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.



(c) Motor vehicle does not include an all-terrain vehicle as defined in section 84.92, subdivision 8; except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle 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 1988, section 168.011, subdivision 8, is amended to read:

Subd. 8. [MANUFACTURED HOME AND HOUSE TRAILER; PARK TRAILER; TRAVEL 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 it 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 feet in length and which is designed, constructed, and equipped for use as a human dwelling place, living abode, or living quarters. “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; and*

*(2) is used as temporary living quarters.*

(c) *“Travel trailer” means a trailer, mounted on wheels, that is designed to provide temporary living quarters during recreation, camping, or travel, does not require a special highway movement permit based on its size or weight when towed by a motor vehicle, and has a gross trailer area of less than 320 square feet.*

Sec. 3. Minnesota Statutes 1988, section 168.011, subdivision 22, is amended to read:

Subd. 22. [SPECIAL MOBILE EQUIPMENT.] *“Special mobile equipment” means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: ditch digging apparatus, moving dollies and other machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck-tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth moving carryalls, scrapers, power shovels, drag lines, self-propelled cranes and earth moving equipment. The term does not include house travel trailers, dump trucks, truck mounted transit mixers, truck mounted feed grinders or other motor vehicles designed for the transportation of persons or property to which machinery has been attached.*

Sec. 4. Minnesota Statutes 1988, section 168.011, subdivision 25, is amended to read:

Subd. 25. [RECREATIONAL EQUIPMENT.] (a) *“Recreational equipment” means house travel trailers including those which telescope or fold down, chassis mounted campers, house cars, motor homes, tent trailers, slip in campers, and converted buses that provide temporary human living quarters. A vehicle is considered to provide temporary living quarters if it:*

- (1) is not used as the residence of the owner or occupant;
- (2) is used for temporary living quarters by the owner or occupant while engaged in recreational or vacation activities; and
- (3) is self-propelled or towed on the public streets or highways incidental to the recreational or vacation activities.

(b) For the purposes of this subdivision, a motor home means a unit designed to provide temporary living quarters, built into as an integral part of, or permanently attached to, a self-propelled motor vehicle chassis or van. A motor home must contain permanently installed independent life support systems which meet the American National Standards Institute standard number A119.2 for recreational vehicles and provide at least four of the following facilities, two of which must be from the systems listed in clauses (1), (5), and (6): (1) cooking facility with liquid propane gas supply, (2) refrigerator, (3) self-contained toilet or a toilet connected to a plumbing system with connection for external water disposal, (4) heating or air conditioning separate from the vehicle engine, (5) a potable water supply system including a sink with faucet either self-contained or with connections for an external source, and (6) separate 110-125 volt electrical power supply. For purposes of this subdivision, "permanently installed" means built into or attached as an integral part of a chassis or van, and designed not to be removed except for repair or replacement. A system which is readily removable or held in place by clamps or tie downs is not permanently installed.

Motor homes include but are not limited to, the following:

(1) Type A Motor Home — a raw chassis upon which is built a driver's compartment and an entire body that provides temporary living quarters as defined in this paragraph;

(2) Type B Motor Home — a van-type vehicle that conforms to the motor home definition in this paragraph and has been completed or altered by the final stage manufacturer; and

(3) Type C Motor Home — an incomplete vehicle upon which is permanently attached a body designed to provide temporary living quarters as defined in this paragraph.

(c) Slip in campers are mounted into a pickup truck in the pickup box, either by bolting through the floor of the pickup box or by firmly clamping to the side of the pickup box. The vehicle must be registered as a passenger automobile.

Sec. 5. Minnesota Statutes 1988, section 168.012, subdivision 8, is amended to read:

Subd. 8. Every passenger automobile, ~~house~~ travel trailer, other than manufactured homes, or passenger car utility trailer duly registered in any foreign state, district, territory or country and displaying all license number plates or like insignia required by the laws of such state, district, territory or country shall be exempt from the provisions of this chapter during the first 60 days of residence of the owner in this state; provided that if the 60-day period expires after the 15th day of any month, the remainder of that month shall be deemed to be within the 60-day period and provided further that any such vehicles shall become subject to the provisions of this chapter immediately upon transfer of the ownership of such vehicles or upon expiration of the registration.

Sec. 6. Minnesota Statutes 1988, 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~~ *Travel 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 required by section 10 shall be taxed as personal property.*

Sec. 7. Minnesota Statutes 1988, 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. 8. Minnesota Statutes 1988, 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. 9. Minnesota Statutes 1988, 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~~ *travel 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. 10. [168.093] [REGISTRATION OF PARK TRAILERS.]

*The motor vehicle registrar shall issue a registration receipt for a park trailer on payment of annual registration tax but may not issue license plates or other insignia. The receipt must be in the 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. 11. Minnesota Statutes 1988, section 168.181, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any provision of law to the contrary or inconsistent herewith the registrar of motor vehicles with the approval of the attorney general is hereby empowered to make agreements with the duly authorized representatives of the other states, District of Columbia, territories and possessions of the United States or arrangements with foreign countries or provinces exempting the residents of such other states,

districts, territories and possessions and foreign countries or provinces using the public streets and highways of this state from the payment of any or all motor vehicle taxes or fees imposed by this chapter, subject to the following conditions and limitations:

(1) Upon condition that the exemption provided herein shall be operative as to a motor vehicle owned by a nonresident only to the extent that under the laws of the state, district, territory or possession or foreign country or province of residence like exemptions are granted to motor vehicles registered under the laws and owned by residents of Minnesota.

(2) Upon condition that any such motor vehicle so operated in this state by any such nonresident shall at all times carry and display all license number plates or like insignia required by the laws of the state, district, territory or possession or foreign country or province of residence.

(3) Upon condition that the exemptions provided herein shall not apply to a passenger automobile or ~~house~~ travel trailer owned by a resident of any state, district, territory or possession or foreign country or province temporarily residing in this state while gainfully employed on the same job for a period of six months or more.

(4) Upon condition that the exemptions provided herein shall not apply to motor vehicles owned by nonresidents including any foreign corporation and used for carrying on intrastate commerce within this state. Such nonresident or foreign corporation shall be required to register each such vehicle and pay the same tax and penalties if any therefor as is required with reference to like vehicles owned by residents of Minnesota.

(5) Upon condition that the exemption provided herein shall not apply to a truck, tractor, truck-tractor, or semitrailer, except two-wheeled trailers of less than 3,000 pounds carrying capacity; if

(a) The class of its registration does not permit to it a statewide operation in the state of its registration, or if

(b) The registration fee or tax for which it is registered is computed on a mileage basis, or if

(c) Its gross weight exceeds the gross weight for which it is registered in the state, district, territory or possession, or foreign country or province of its registration.

(6) Upon condition that nonresident owners of commercial vehicles, including trucks, truck-tractors, trailers, semitrailers and buses domiciled in a foreign state, district, territory or possession or foreign country or province, and bringing such vehicles into the state of Minnesota for the purpose of doing interstate business shall be required to comply with all the laws and regulations as to payment of taxes applicable to like vehicles owned by Minnesota residents unless the state, district, territory or possession or foreign country or province grants full reciprocity privileges comparable to that extended by sections 168.181 to 168.231. In the event a state, district, territory or possession or foreign country or province is not fully reciprocal as to taxes or fees on commercial vehicles or buses operated in interstate commerce, then in that event such owners of foreign commercial vehicles or buses shall be required to pay a tax in an amount similar to the tax of whatever character assessed by such other state, district, territory or possession or foreign country or province against vehicles registered in Minnesota and operated in interstate commerce in that state,

district, territory or possession or foreign country or province. It is further provided that such owners of foreign commercial vehicles and buses subject to registration under the provisions of this paragraph shall make application for a permit in which shall be set forth the conditions for operation of such vehicles in this state.

Sec. 12. Minnesota Statutes 1988, section 168.27, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(1) "Leasing motor vehicles" means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are intended to be transferred other than the right to use the vehicle for a stated period of time.

(2) "Brokering motor vehicles" means arranging sales between willing buyers and sellers of motor vehicles and receiving a fee for said service.

(3) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.

(4) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

(5) "Dealer" includes new motor vehicle dealers, used motor vehicle dealers, wholesalers, auctioneers, lessors of new or used motor vehicles, scrap metal processors, used vehicle parts dealers, and salvage pools.

(6) "Commercial building" means a permanent, enclosed building that is on a permanent foundation and connected to local sewer and water facilities or otherwise complying with local sanitary codes, is adapted to commercial use, and conforms to local government zoning requirements. "Commercial building" may include strip office malls or garages if a separate entrance and a separate address are maintained and the dealership is clearly identified as a separate business.

(7) "Commercial office space" means office space occupying all or part of a commercial building.

(8) "Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.

(9) "Isolated or occasional sales or leases" means the sale or lease of not more than five motor vehicles in a 12-month period, exclusive of pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b, or sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property.

(10) "Used motor vehicle" means a motor vehicle for which title has been transferred from the person who first acquired it from the manufacturer, distributor, or dealer. A new motor vehicle will not be considered a used motor vehicle until it has been placed in actual operation and not held for resale by an owner who has been granted a certificate of title on the motor vehicle and has registered the motor vehicle in accordance with this chapter and chapters 168A and 297B, or the laws of the residence of the owner.

(11) "New motor vehicle" means a motor vehicle other than described in paragraph (10).

(12) "Junked vehicle" means a vehicle that is graded and stamped as a "class D" total loss vehicle under section 168A.151.

(13) "*Motor vehicle*" has the meaning given it in section 168.011, subdivision 4, and also includes a park trailer as defined in section 168.011, subdivision 8.

Sec. 13. Minnesota Statutes 1988, section 168A.01, subdivision 21, is amended to read:

Subd. 21. "Special mobile equipment" means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: Ditch digging apparatus, well boring apparatus, moving dollies, sawing machines, corn shellers, and road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth moving carryalls and scrapers, power shovels and drag lines, and self-propelled cranes and earth moving equipment. The term does not include ~~house~~ travel trailers, dump trucks, truck mounted transit mixers, truck mounted feed grinders, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

Sec. 14. Minnesota Statutes 1988, section 169.34, is amended to read:  
169.34 [PROHIBITIONS; STOPPING, PARKING.]

No person shall stop, stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic-control device, in any of the following places:

- (1) On a sidewalk;
- (2) In front of a public or private driveway;
- (3) Within an intersection;
- (4) Within ten feet of a fire hydrant;
- (5) On a crosswalk;
- (6) Within 20 feet of a crosswalk at an intersection;
- (7) Within 30 feet upon the approach to any flashing beacon, stop sign, or traffic-control signal located at the side of a roadway;
- (8) Between a safety zone and the adjacent curb or within 30 feet of points on the curb immediately opposite the ends of a safety zone, unless a different length is indicated by signs or markings;
- (9) Within 50 feet of the nearest rail of a railroad crossing;
- (10) Within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of said entrance when properly signposted;
- (11) Alongside or opposite any street excavation or obstruction when such stopping, standing, or parking would obstruct traffic;
- (12) On the roadway side of any vehicle stopped or parked at the edge

or curb of a street;

(13) Upon any bridge or other elevated structure upon a highway or within a highway tunnel, except as otherwise provided by ordinance;

(14) At any place where official signs prohibit stopping.

No person shall move a vehicle not owned by such person into any prohibited area or away from a curb such distance as is unlawful.

No person shall, for camping purposes, leave or park a *house travel* trailer on or within the limits of any highway or on any highway right-of-way, except where signs are erected designating the place as a camp site.

No person shall stop or park a vehicle on a street or highway when directed or ordered to proceed by any peace officer invested by law with authority to direct, control, or regulate traffic.

Sec. 15. Minnesota Statutes 1988, section 169.67, subdivision 4, is amended to read:

Subd. 4. [SERVICE BRAKES ON ALL WHEELS; EXCEPTIONS.] Every motor vehicle, trailer, or semitrailer, 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 travel* 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. 16. Minnesota Statutes 1988, section 169.75, subdivision 1, is amended to read:

Subdivision 1. [NUMBER REQUIRED.] No person shall operate any motor vehicle towing a *house travel* trailer, any passenger bus or any other motor vehicle or combination of vehicles of an actual gross weight or manufacturer's rated gross weight of more than 10,000 pounds at any location upon an interstate highway or freeway or upon any other highway outside of a business or residence district at any time from a half hour after sunset to a half hour before sunrise, unless there shall be carried in such vehicle the following equipment except as otherwise provided in subdivision 2.

At least three flares or three red electric lanterns or three emergency reflective triangles or three portable red reflector devices, each of which shall be capable of being seen and distinguished at a distance of 500 feet under normal atmospheric conditions at nighttime.

Sec. 17. Minnesota Statutes 1988, section 169.75, subdivision 3, is amended to read:

Subd. 3. [FLAGS AND REFLECTORS.] No person shall operate any motor vehicle towing a ~~house~~ *travel* trailer, any passenger bus or any other motor vehicle or combination of vehicles of an actual gross weight or manufacturer's rated gross weight of more than 10,000 pounds at any location upon any interstate highway or freeway or upon any other highway outside of a business or residence district unless there shall be carried in such vehicle at least three emergency reflective triangles or two red, yellow or orange flags not less than 12 inches square which shall be displayed at any time from one-half hour before sunrise to one-half hour after sunset under circumstances which would require the use of warning lights at night and in the manner and position governing the use of warning lights as prescribed in subdivision 5, except a flag or reflector is not required to be displayed at the ten foot distance.

Sec. 18. Minnesota Statutes 1988, section 171.01, subdivision 18, is amended to read:

Subd. 18. [~~HOUSE TRAVEL TRAILER AND MANUFACTURED HOME.~~] (a) "~~House Travel~~ trailer" means any trailer or semitrailer designed and used for human living quarters, ~~and meeting that meets~~ all of the following qualifications:

- (1) Is not used as the residence of the owner or occupant;
- (2) Is used for temporary living quarters by the owner or occupant while engaged in recreational or vacation activities; *and*
- (3) Is towed on the public streets or highways incidental to such recreational or vacation activities.

The term "~~house~~ *travel* trailer" shall not include bunkhouses, so called, temporarily mounted on trailers, and manufactured homes. Such bunkhouses, exclusive of the trailer and manufactured homes, shall be listed and taxed as personal property as provided by law.

(b) "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~~ *travel* trailers.

Sec. 19. Minnesota Statutes 1988, section 171.02, subdivision 2, is amended to read:

Subd. 2. [VOLUNTEER FIREFIGHTERS; TRUCKS AND EMERGENCY EQUIPMENT; MIDMOUNT AERIAL LADDER TRUCK.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle or school bus unless so endorsed. There shall be three general classes of licenses as follows:

(a) Class C; valid for all farm trucks as defined in section 168.011, subdivision 17, operated by the owner or an immediate family member or an employee not primarily employed for the purpose of operating the farm truck or employed for the purpose of operating the farm truck during harvest for the first, continuous transportation of agricultural products from the place of production or on farm storage site to any other location within 50 miles of the place of the production or on farm storage site, fire trucks and emergency fire equipment, regardless of the number of axles, and whether or not in excess of 26,000 pounds GVW, driven or operated by volunteer



firefighters while on duty, and all single unit two-axle vehicles not in excess of 26,000 pounds GVW including vehicles with a temporary auxiliary axle as defined in section 169.67, subdivision 4. Holder may also tow trailers under 10,000 pounds GVW including ~~house~~ *travel* trailers. Buses as defined under this chapter may not be driven by a holder of a class C license. A person employed as a tiller operator by a fire department may drive the rear portion of a midmount aerial ladder truck with a class C license.

(b) Class B; valid for all vehicles in class C and all other single unit vehicles including buses.

(c) Class A; valid for any vehicle or combination thereof.

Sec. 20. Minnesota Statutes 1988, 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~~ *travel* trailers or manufactured homes. *For purposes of taxation only under this section, "motor vehicle" includes a park trailer as defined in section 168.011, subdivision 8, paragraph (b)."*

Delete the title and insert:

"A bill for an act relating to taxation; regulating travel trailers; requiring a registration certificate for park trailers; imposing a registration tax on park trailers; requiring owners of unregistered park trailers to pay property tax; imposing motor vehicle excise tax on park trailers; providing that motor vehicle dealers may sell park trailers; amending Minnesota Statutes 1988, sections 168.011, subdivisions 4, 8, 22, and 25; 168.012, subdivisions 8 and 9; 168.013, subdivision 1, and by adding a subdivision; 168.053, subdivision 2; 168.181, subdivision 1; 168.27, subdivision 1; 168A.01, subdivision 21; 169.34; 169.67, subdivision 4; 169.75, subdivisions 1 and 3; 171.01, subdivision 18; 171.02, subdivision 2; and 297B.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 168."

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. 701: A bill for an act relating to insurance; requiring coverage for child health supervision and prenatal services; clarifying certain definitions; amending Minnesota Statutes 1988, section 62A.047.

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

Page 1, line 12, before "shall" insert "*health maintenance contract regulated under chapter 62D, or health benefit certificate regulated under chapter 64B,*"

Page 1, line 20, delete the new language

Page 2, line 14, strike the first comma and insert "*and*" and strike "*delivery, and*" and delete "*60 days of*" and strike "*postpartum*"

Page 2, line 15, delete “*care*”

Page 2, line 16, after the first comma, insert “*and*”

Page 2, line 17, strike everything after the first comma

Page 2, line 18, strike everything before “*as*”

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. 916: A bill for an act relating to consumer protection; regulating landscape application contracts; providing penalties and remedies; 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 2, delete lines 11 to 18

Renumber the subdivisions in sequence

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. 332: A bill for an act relating to game and fish; open season for walleyed pike on the Rainy River; amending Minnesota Statutes 1988, section 97C.403, subdivision 3.

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. 476: A bill for an act relating to game and fish; prohibiting harassment of hunters and anglers; providing penalties; 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 1, line 9, delete the first comma and insert “*or*” and delete “*, or*”

Page 1, line 10, delete “*dissuade*” and delete everything after “*animal*”

Page 1, line 11, delete “*doors*”

Page 1, line 22, delete “*enter or remain*” and insert “*be*”

Page 1, line 23, before “*on*” insert “*be*”

Page 1, delete lines 24 and 25

Page 2, delete lines 1 to 7 and insert:

“*Subd. 4. [PEACE OFFICER OR ENFORCEMENT OFFICER ORDER.] A person must obey the order of a peace officer or enforcement officer to stop the harassing conduct that violates subdivision 1, 2, or 3 if the officer:*

(1) *observes the conduct; or*

(2) *has reasonable grounds to believe that the person has engaged in harassing conduct or that the person intends to engage in harassing conduct.*”

Amend the title as follows:

Page 1, line 3, delete everything before the second semicolon and insert “persons taking wild animals”

And when so amended the bill do pass. Mr. Spear 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. 280: A bill for an act relating to natural resources; allowing counties to authorize predator control; setting payment rates for fox that are taken; suspension of certain trespass laws to allow taking of fox if authorized by county resolution; authorizing a bounty on fox; requiring proof of fox killed; appropriating money; amending Minnesota Statutes 1988, sections 97B.001, by adding a subdivision; 97B.671; 348.12; and 348.13.

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 1988, section 97B.001, is amended by adding a subdivision to read:

*Subd. 9. [SUSPENSION OF CERTAIN TRESPASS LAWS.] Notwithstanding subdivision 2, a person may enter nonposted agricultural land on foot to take fox during the months of January and February.*”

Delete the title and insert:

“A bill for an act relating to natural resources; suspension of certain trespass laws to allow taking of fox during certain periods; amending Minnesota Statutes 1988, section 97B.001, 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. 271: A bill for an act relating to game and fish; contents of firearms safety course for young hunters; amending Minnesota Statutes 1988, section 97B.015, 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 1988, section 97B.015, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT] The commissioner shall make rules establishing a statewide course in the safe use of firearms *and identification*

*of wild mammals and birds.* At least one course must be held within the boundary of each school district. The courses must be conducted by the commissioner in cooperation with other organizations. The courses must instruct youths in commonly accepted principles of safety in hunting and handling common hunting firearms *and identification of various species of wild mammals and birds by sight and other unique characteristics.*"

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. 281: A bill for an act relating to agriculture; allowing nuisance free, pollution free, aesthetic disposal of solid waste on agricultural land by a person engaged in farming; requiring the pollution control agency to notify the commissioner of agriculture and hold public hearings on rules affecting farming operations; amending Minnesota Statutes 1988, section 116.07, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17.

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 1988, section 14.115, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "small business" means a business entity, including *farming and other agricultural operations and its affiliates*, that (a) is independently owned and operated; (b) is not dominant in its field; and (c) employs fewer than 50 full-time employees or has gross annual sales of less than \$4,000,000. For purposes of a specific rule, an agency may define small business to include more employees if necessary to adapt the rule to the needs and problems of small businesses.

Sec. 2. [17.135] [FARM DISPOSAL OF SOLID WASTE.]

*A permit is not required from a state agency, except under sections 88.16 and 88.17, for a person who owns or operates land used for farming that buries, or burns and buries, solid waste generated from the person's household or as part of the person's farming operation if the burying is done in a nuisance free, pollution free, and aesthetic manner on the land used for farming. This exception does not apply if there is regularly scheduled pickup of solid waste available at the person's farm.*

Sec. 3. Minnesota Statutes 1988, section 116.07, subdivision 4, is amended to read:

Subd. 4. [RULES AND STANDARDS.] Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, chapter 1046, for the prevention, abatement, or control of air pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or

standards may relate to sources or emissions of air contamination or air pollution, to the quality or composition of such emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or to any other matter relevant to the prevention, abatement, or control of air pollution.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, chapter 1046, for the collection, transportation, storage, processing, and disposal of solid waste and the prevention, abatement, or control of water, air, and land pollution which may be related thereto, and the deposit in or on land of any other material that may tend to cause pollution. The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic suitability of land, the volume and rate of application of sewage sludge of various degrees of intrinsic hazard, design of facilities, and operation of facilities and sites. The agency shall promulgate emergency rules for sewage sludge pursuant to sections 14.29 to 14.36. Notwithstanding the provisions of sections 14.29 to 14.36, the emergency rules shall be effective until permanent rules are promulgated or March 1, 1982, whichever is earlier. Any such rule or standard may be of general application throughout the state or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to collection, transportation, processing, disposal, equipment, location, procedures, methods, systems or techniques or to any other matter relevant to the prevention, abatement or control of water, air, and land pollution which may be advised through the control of collection, transportation, processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of any other material that may tend to cause pollution. By January 1, 1983, the rules for the management of sewage sludge shall include an analysis of the sewage sludge determined by the commissioner of agriculture to be necessary to meet the soil amendment labeling requirements of section 17.716.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1971, chapter 727, for the prevention, abatement, or control of noise pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances or conditions in order to make due allowances for variations therein. Without limitation, rules or standards may relate to sources or emissions of noise or noise pollution, to the quality or composition of noises in the natural environment, or to any other matter relevant to the prevention, abatement, or control of noise pollution.

As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the pollution control agency.

Pursuant to chapter 14, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for generators of hazardous waste, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and the location of hazardous waste facilities. A rule or standard may be of general application throughout the state or may be limited as to

time, places, circumstances, or conditions. In implementing its hazardous waste rules, the pollution control agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

The pollution control agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning economic costs of transportation and disposal of diseased shade trees by alternative methods.

*In addition to the provisions under section 14.115, before the pollution control agency adopts or repeals rules that affect farming operations, the agency must provide a copy of the proposed rule change and a statement of the effect of the rule change on farming operations to the commissioner of agriculture for review and comment and hold public meetings in agricultural areas of the state.*

Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective the day after final enactment."*

Amend the title as follows:

Page 1, line 8, delete "section" and insert "sections 14.115, subdivision 1; and"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 94: A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

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 1988, section 72A.20, subdivision 11, is amended to read:

Subd. 11. [APPLICATION TO CERTAIN SECTIONS.] Violating any provision of the following sections of this chapter not set forth in this section shall constitute an unfair method of competition and an unfair and deceptive act or practice: sections 72A.12, subdivisions 2, 3, and 4, 72A.16, subdivision 2, 72A.03 and 72A.04, 72A.08, subdivision 1, as modified by ~~section~~ *sections* 72A.08, subdivision 4, 72A.201, *sections 2 to 17*, and 65B.13.

Sec. 2. [72A.49] [SHORT TITLE.]

*Sections 2 to 17 may be cited as the "Minnesota fair information reporting act."*

Sec. 3. [72A.491] [DEFINITIONS.]

*Subdivision 1. [APPLICATION.] For the purposes of sections 2 to 17, the following terms shall have the meanings given to them.*

*Subd. 2. [ADVERSE UNDERWRITING DECISION.] "Adverse underwriting decision" means any of the following actions with respect to insurance transactions involving insurance coverage which is individually underwritten:*

*(1) denial, in whole or in part, of coverage which was requested in writing to the insurer;*

*(2) termination or reduction of insurance coverage or policy;*

*(3) failure of an insurance agent to apply for coverage with a specific insurer which the agent represents and which is specifically requested by an applicant;*

*(4) placement by an insurer or insurance agent of a risk with a residual market mechanism, an unauthorized insurer, or an insurer which specializes in substandard risks;*

*(5) charging a higher rate on the basis of information which differs from that which the applicant or policyholder furnished for property or casualty coverage;*

*(6) an offer to insure at higher than standard rates for life, health, or disability coverage; or*

*(7) the rescission of a policy.*

*Subd. 3. [AFFILIATE OR AFFILIATED.] "Affiliate" or "affiliated" means a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person.*

*Subd. 4. [APPLICANT.] "Applicant" means any person who seeks to contract for insurance coverage from an insurer.*

*Subd. 5. [CONSUMER REPORT.] "Consumer report" means any written, oral, or other communication of information bearing on a person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used in connection with an insurance transaction.*

*Subd. 6. [CONSUMER REPORTING AGENCY.] "Consumer reporting agency" means any person who:*

*(1) regularly engages, in whole or in part, in the practice of assembling or preparing consumer reports for a monetary fee;*

*(2) obtains information primarily from sources other than insurers; and*

*(3) furnishes consumer reports to other persons.*

*Subd. 7. [CONTROL.] "Control," "controlled by," or "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person.*

*Subd. 8. [HEALTH CARE INSTITUTION.] "Health care institution" means any facility or institution that is licensed to provide health care services to natural persons.*

*Subd. 9. [HEALTH PROFESSIONAL.] "Health professional" means any person licensed or certified to provide health care services to natural persons.*

*Subd. 10. [HEALTH RECORD INFORMATION.] "Health record information" means personal information which:*

*(1) relates to an individual's physical or mental condition, health history, or health treatment; and*

*(2) is obtained from a health professional or health care institution, from the individual, or from the individual's spouse, parent, legal guardian, or other person.*

*Subd. 11. [INDIVIDUAL.] "Individual" means any natural person who:*

*(1) in the case of property or casualty insurance is a past, present, or proposed named insured or certificate holder;*

*(2) in the case of life, health, or disability insurance is a past, present, or proposed principal insured or certificate holder;*

*(3) is a past, present, or proposed policy owner;*

*(4) is a past or present applicant;*

*(5) is a past or present claimant; or*

*(6) derived, derives, or is proposed to derive insurance coverage under an insurance policy or certificate subject to this act.*

*Subd. 12. [INSURANCE-SUPPORT ORGANIZATION.] (a) "Insurance-support organization" means any person who regularly engages, in whole or in part, in the practice of assembling or collecting information about persons for the primary purpose of providing the information to an insurer or insurance agent for insurance transactions, including:*

*(1) the furnishing of consumer reports or investigative consumer reports to an insurer or insurance agent for use in connection with an insurance transaction; and*

*(2) the collection of personal information from insurers, insurance agents, or other insurance-support organizations for the purpose of detecting or preventing fraud, material misrepresentation, or material nondisclosure in connection with insurance underwriting or insurance claim activity.*

*(b) Insurance-support organizations do not include insurance agents, government institutions, insurers, health care institutions, or health professionals.*

*Subd. 13. [INSURANCE TRANSACTION.] "Insurance transaction" means any transaction which involves:*

*(1) the determination of an individual's eligibility for an insurance coverage, benefit, or payment; or*

*(2) the servicing of an insurance application, policy, contract, or certificate.*

*Subd. 14. [INSURER.] "Insurer" means any insurance company, risk retention group as defined under section 60E.02, service plan corporation*



as defined under section 62C.02, health maintenance organization as defined under section 62D.02, fraternal benefit society regulated under chapter 64B, township mutual company regulated under chapter 67A, joint self-insurance plan or multiple employer trust regulated under chapter 60F, 62H, or section 471.617, subdivision 2, and persons administering a self-insurance plan as defined under section 60A.23, subdivision 8, paragraph (2), clauses (a) and (d).

**Subd. 15. [INSURER WHICH SPECIALIZES IN SUBSTANDARD RISKS.]** "Insurer which specializes in substandard risks" means an insurer whose rates and market orientation are directed at risks other than preferred or standard risks.

**Subd. 16. [INVESTIGATIVE CONSUMER REPORT.]** "Investigative consumer report" means a consumer report or portion thereof in which information about a person's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with the person's neighbors, friends, associates, acquaintances, or others who may have knowledge concerning these items of information.

**Subd. 17. [PERSONAL INFORMATION.]** "Personal information" means any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual's character, habits, avocations, finances, occupation, general reputation, credit, health, or any other personal characteristics. The term includes the individual's name and address and health record information, but does not include privileged information. "Personal information" does not include health information maintained by a health maintenance organization as defined under section 62D.02, subdivision 4, in its capacity as a health provider.

**Subd. 18. [POLICYHOLDER.]** "Policyholder" means any individual who is a present named insured, a present policyowner, or a present group certificate holder.

**Subd. 19. [PRIVILEGED INFORMATION.]** (a) "Privileged information" means any individually identifiable information that:

(1) relates to a claim for insurance benefits or a civil or criminal proceeding; or

(2) is collected in connection with or in reasonable anticipation of a claim for insurance benefits or civil or criminal proceeding.

(b) Information otherwise meeting the definition of privileged information under paragraph (a) shall be considered personal information if it is disclosed in violation of section 14.

**Subd. 20. [RESIDUAL MARKET MECHANISM.]** "Residual market mechanism" means an association, organization, or other entity created under the laws of this state for the purpose of providing insurance coverage to any person who is unable to obtain coverage through ordinary methods in the normal insurance markets.

**Subd. 21. [TERMINATION OF INSURANCE COVERAGE OR POLICY.]** "Termination of insurance coverage" or "termination of an insurance policy" means either a cancellation or nonrenewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

*Subd. 22. [UNAUTHORIZED INSURER.] "Unauthorized insurer" means an insurance company that has not been granted a certificate of authority by the commissioner to transact the business of insurance in this state.*

**Sec. 4. [72A.492] [SCOPE.]**

*Subdivision 1. [COVERED POLICIES.] The obligations imposed by sections 2 to 17 apply to insurers, insurance agents, and insurance-support organizations which:*

- (1) collect, receive, or maintain information in connection with insurance transactions which pertains to persons who are residents of this state; or*
- (2) engage in insurance transactions with applicants, individuals, or policyholders who are residents of this state.*

*Subd. 2. [COVERED PERSONS.] The rights granted by sections 2 to 17 extend to:*

- (1) a person who is a resident of this state and is the subject of information collected, received, or maintained in connection with an insurance transaction; and*
- (2) a person who is a resident of this state and engages in or seeks to engage in an insurance transaction.*

*Subd. 3. [EXCEPTIONS.] (a) Sections 2 to 17 do not apply to information collected from the public records of a governmental authority and maintained by an insurance company or its representatives for the purpose of insuring the title to real property located in this state.*

*(b) Nothing in sections 2 to 17 gives a patient access to the health records pertaining to the patient maintained by the patient's health provider, or gives the patient the right to alter or amend those health records unless otherwise provided by law.*

*(c) Sections 2 to 17 do not apply to any insurance transactions involving property and casualty insurance primarily for business or professional needs.*

**Sec. 5. [72A.493] [OBTAINING INFORMATION BY IMPROPER MEANS.]**

*No insurer, insurance agent, or insurance-support organization may obtain information or authorize another person to obtain information in connection with an insurance transaction by:*

- (1) pretending to be someone he or she is not;*
- (2) pretending to represent a person he or she is not in fact representing;*
- (3) misrepresenting the true purpose of the interview; or*
- (4) refusing to identify himself or herself upon request.*

**Sec. 6. [72A.494] [NOTICE.]**

*Subdivision 1. [REQUIRED.] Each insurer or insurance agent shall provide a notice relating to information practices to each applicant or policyholder in the manner and at the time required by this section.*

*Subd. 2. [EXEMPTION.] A notice is not required to be provided under this section for:*

- (1) a group policy or contract that is not individually underwritten; or*

(2) a renewal, reinstatement, or a change in benefits for a policy or contract if no personal information is to be collected other than from the applicant or policyholder, or from public records.

*Subd. 3. [TIMING.] (a) In the case of an application for insurance coverage, the notice must be provided to the applicant or policyholder no later than the time application is made for the coverage, renewal, reinstatement, or change in benefits.*

*(b) If personal information is to be collected only from the applicant or from public records, the notice may be provided at the time of delivery of the policy or the certificate.*

*Subd. 4. [CONTENT OF NOTICE.] The notice required by this section must be in writing and state:*

*(1) whether personal information may be collected from persons other than the individual or individuals proposed for coverage;*

*(2) the types of personal information that may be collected and the types of sources and investigative techniques that may be used to collect the information;*

*(3) the types of disclosures of personal information that may be made under section 13 and the circumstances under which the disclosures may be made without prior authorization; except that, only those circumstances which occur with such frequency as to indicate a general business practice must be described;*

*(4) a description of the rights established under sections 9 and 10 and the manner in which those rights may be exercised; and*

*(5) that information obtained from a report prepared by an insurance-support organization may be retained by the insurance-support organization and disclosed to other persons.*

*Subd. 5. [ABBREVIATED NOTICE.] In lieu of the notice required under subdivision 3, the insurer or insurance agent may provide an abbreviated notice informing the applicant or policyholder that:*

*(1) personal information may be collected from persons other than the person or persons proposed for coverage;*

*(2) the information collected by the insurer or insurance agent may in certain circumstances be disclosed to third parties without authorization;*

*(3) the person has a right to see their personal records and correct personal information collected; and*

*(4) the person will be furnished the detailed notice required under subdivision 3 upon request.*

*Subd. 6. [OTHER COMPANIES OR AGENCIES ACTING ON ITS BEHALF] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.*

**Sec. 7. [72A.495] [MARKETING AND RESEARCH SURVEYS.]**

*An insurer or insurance agent shall clearly specify any questions designed to obtain information solely for marketing or research purposes from an individual in connection with an insurance transaction, and state that responses to the questions are not required to obtain coverage.*

Sec. 8. [72A.496] [INVESTIGATIVE CONSUMER REPORTS.]

*Subdivision 1. [NOTICE.] An insurer, insurance agent, or insurance-support organization may not prepare or request an investigative consumer report about an individual in connection with an insurance transaction involving an application for insurance, a policy renewal, a policy reinstatement, or a change in insurance benefits unless the insurer or insurance agent informs the person:*

*(1) that the individual may request to be interviewed in connection with the preparation of the investigative consumer report; and*

*(2) that upon a request pursuant to section 9, the individual is entitled to receive a copy of the investigative consumer report.*

*Subd. 2. [REPORTS PREPARED BY INSURERS.] If an investigative consumer report is to be prepared by an insurer or insurance agent, the insurer or insurance agent shall institute reasonable procedures to conduct a personal interview requested by an individual.*

*Subd. 3. [REPORTS PREPARED BY INSURANCE-SUPPORT ORGANIZATIONS.] If an investigative consumer report is to be prepared by an insurance-support organization, the insurer or insurance agent desiring the report shall inform the insurance-support organization whether a personal interview has been requested by the individual. The insurance-support organization shall institute reasonable procedures for conducting an interview, if requested.*

Sec. 9. [72A.497] [ACCESS TO PERSONAL INFORMATION.]

*Subdivision 1. [REQUEST.] (a) If an individual, after proper identification, submits a written request to an insurer, insurance agent, or insurance-support organization for access to personal information about the individual, the insurer, insurance agent, or insurance-support organization shall within 30 business days from the date the request is received:*

*(1) inform the individual of the nature and substance of the personal information that they possess in writing, by telephone, or by other oral communication, whichever the insurer, insurance agent, or insurance-support organization elects;*

*(2) permit the individual to see and copy, in person, the personal information pertaining to that person;*

*(3) permit the individual to obtain by mail a copy of the entire personal information or a reasonably described portion thereof, whichever the individual requests;*

*(4) disclose to the individual the identity of those persons to whom the insurer, insurance agent, or insurance-support organization has disclosed the personal information within two years prior to the request; and*

*(5) provide the individual with a summary of the procedures by which the person may request correction, amendment, or deletion of personal information, as provided under section 10.*

*(b) If the personal information is in coded form, an accurate translation in plain language must be provided in writing.*

*(c) If credit information is requested which federal law prohibits an insurer to disclose, the insurer must disclose that the individual has the right to receive the credit information from the credit reporting agency.*

*The insurer must disclose the name, address, and telephone number of the credit reporting agency that supplied the insurer with the credit information.*

*Subd. 2. [SOURCE.] Any personal information collected must specifically identify the source of the information.*

*Subd. 3. [HEALTH RECORDS.] (a) Health record information requested under subdivision 1 which has been supplied by a health care institution or a health professional must provide the identity of the health professional or health care institution which supplied the information. The health record information must be provided either directly to the individual or to a health professional designated by the person who is licensed to provide health care with respect to the condition to which the information relates, whichever the individual elects. If the information is provided to a designated health professional, the insurer, insurance agent, or insurance-support organization shall notify the person, at the time of the disclosure, that the information has been provided to the health professional.*

*(b) If a health professional or a health care institution has provided health information to an insurer, insurance-support organization, or insurance agent that the health professional or health care institution has determined and indicates in writing that the release of the health record information is detrimental to the physical or mental health of the person, or is likely to cause the individual to inflict self harm or to harm another, the insurer, insurance agent, or insurance-support organization may provide that information directly to the individual only with the approval of the health professional with treatment responsibility for the condition to which the information relates. If approval is not obtained, the information must be provided to the health professional designated by the individual.*

*(c) Nothing in this section may reduce or affect a patient's rights under section 144.335.*

*Subd. 4. [FEE.] An insurer, insurance agent, or insurance-support organization may charge a reasonable fee, not to exceed the actual costs, to copy information provided under this section. If an individual is requesting information as a result of an adverse underwriting decision, the insurer, insurance agent, or insurance-support organization must provide the information free of any charge.*

*Subd. 5. [OTHER COMPANIES OR AGENTS ACTING ON ITS BEHALF] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf. With respect to the copying and disclosure of personal information under a request under subdivision 1, an insurer, insurance agent, or insurance-support organization may make arrangements with an insurance-support organization or a consumer reporting agency to copy and disclose personal information on its behalf.*

*Subd. 6. [PRIVILEGED INFORMATION.] The rights granted under this section and section 10 do not extend to privileged information.*

**Sec. 10. [72A.498] [CORRECTION, AMENDMENT, OR DELETION OF PERSONAL INFORMATION.]**

*Subdivision 1. [PROCEDURE.] Within 30 business days from the date of receipt of a written request from an individual to correct, amend, or delete any personal information about the person within its possession, an insurer, insurance agent, or insurance-support organization shall either:*

(1) correct, amend, or delete the portion of the personal information in dispute; or

(2) notify the individual of its refusal to make the correction, amendment, or deletion, the reasons for the refusal, and the person's right to file a statement as provided in subdivision 3, and the individual's right to appeal to the commissioner under subdivision 5.

*Subd. 2. [NOTICE.] If the insurer, insurance agent, or insurance-support organization corrects, amends, or deletes disputed personal information upon request of an individual or as ordered by the commissioner, the insurer, insurance agent, or insurance-support organization shall notify the person in writing and provide the correction, amendment, or fact of deletion to:*

(1) any person specifically designated by the individual who may have within the preceding two years received the personal information;

(2) any insurance-support organization whose primary source of personal information is insurers, if the insurance-support organization has systematically received the personal information from the insurer within the preceding seven years, provided that the correction, amendment, or fact of deletion need not be provided to an insurance-support organization if the insurance-support organization no longer maintains personal information about the individual; and

(3) any insurance-support organization that provided the personal information that has been corrected, amended, or deleted.

*Subd. 3. [STATEMENT.] If the insurer, insurance agent, or insurance-support organization refuses to correct, amend, or delete disputed personal information, the individual must be permitted to file with the insurer, insurance agent, or insurance-support organization a concise statement setting forth what the person thinks is the correct, relevant, or fair information and stating the reasons why the individual disagrees with the insurer's, insurance agent's, or insurance-support organization's refusal to correct, amend, or delete disputed personal information.*

*Subd. 4. [DISPUTED INFORMATION.] In the event an individual files a statement described in subdivision 3, the insurer, insurance agent, or insurance-support organization shall:*

(1) file the statement with the disputed personal information and provide a means by which anyone reviewing the disputed personal information will be made aware of the individual's statement and have access to it;

(2) in any subsequent disclosure by the insurer, insurance agent, or insurance-support organization of the disputed personal information, clearly identify the matter or matters in dispute and provide the individual's statement along with the personal information being disclosed; and

(3) furnish the statement to the persons and in the manner specified in subdivision 2.

*Subd. 5. [APPEAL.] (a) If an insurer, insurance-support organization, or insurance agent refuses to correct, amend, or delete disputed personal information, the individual may file an appeal with the commissioner.*

(b) The commissioner may, after providing the insurer, insurance-support organization, or insurance agent an opportunity for a hearing, order the insurer, insurance-support organization, or insurance agent to amend, correct, or delete disputed personal information if the commissioner finds

*that the personal information kept by the insurer, insurance-support organization, or insurance agent is in error. If the commissioner finds that the disputed personal information maintained by the insurer, insurance agent, or insurance-support organization is correct, the insurer, insurance agent, or insurance-support organization may delete from the individual's records any statement filed with them by that individual relating to the disputed information under subdivision 3.*

**Sec. 11. [72A.499] [REASONS FOR ADVERSE UNDERWRITING DECISIONS.]**

*Subdivision 1. [NOTICE AND INFORMATION.] In the event of an adverse underwriting decision, the insurer or insurance agent responsible for the decision shall provide in writing to the applicant, policyholder, or individual proposed for coverage:*

*(1) the specific reason or reasons for the adverse underwriting decision, a summary of the person's rights under sections 9 and 10, and that upon request the person may receive the specific items of personal information that support those reasons and the specific sources of the information; or*

*(2) the specific reason or reasons for the adverse underwriting decision, the specific items of personal and privileged information that support those reasons, the names and addresses of the sources that supplied the specific items of information specified, and a summary of the rights established under sections 9 and 10.*

*Subd. 2. [HEALTH REASONS.] If the specific reason for an adverse underwriting decision is based on health record information, the insurer may, in lieu of providing the specific reason to the individual under subdivision 1, provide the individual with the specific source of the adverse underwriting decision referring to the specific date, page, and line of the information received from a health professional or health care institution. If the insured has been informed of the condition indicated by their health provider and is unable to determine the reason for the adverse underwriting decision, then the insurer must provide the specific reason to the individual. The insurer must provide the specific reason for the adverse underwriting decision to a health professional designated by the individual, if requested either orally or in writing by the individual.*

*Subd. 3. [EXEMPTION.] (a) This section is not applicable to group policies or contracts, except for group policies that are individually underwritten. For group policies or contracts that are individually underwritten, the notice required under this section must be given to the individual or individuals in the group whose personal information resulted in the adverse underwriting decision.*

*(b) If a policy or contract is terminated on a class or statewide basis, or an insurance coverage is declined solely because the coverage is unavailable on a class or statewide basis, the insurer or agent is not required to provide the notice required under this section provided that the applicant or policyholder is provided with the specific reason for the termination or declination of coverage.*

*Subd. 4. [PRIVILEGED INFORMATION.] (a) An insurer or insurance agent is not required to provide particular, specific items of privileged information under subdivision 1 if it has a reasonable suspicion, based upon that specific information, that the applicant, policyholder, or person proposed for coverage has engaged in criminal activity, fraud, material*

*misrepresentation, or material nondisclosure. If an insurer or insurance agent does not provide the specific items of information because the information is privileged under this subdivision, the insurer or insurance agent must notify the applicant, policyholder, or individual proposed for coverage that the specific items of information are privileged and of the person's right to appeal to the commissioner under this subdivision.*

*(b) If a person is not provided with the specific items of information relating to an adverse underwriting decision because the information is privileged under this subdivision, the person may request that the commissioner review the information. The commissioner may then order the insurer or insurance agent to supply the privileged information to the commissioner. If the commissioner determines that the information is not privileged under this subdivision, the commissioner shall order the insurer or insurance agent to provide the information to the applicant, policyholder, or person proposed for coverage.*

*Subd. 5. [HEALTH RECORDS INFORMATION.] Specific items of health record information supplied by a health care institution or health professional, and the identity of the health professional or health care institution which supplied the information, must be disclosed in the manner required under section 9, subdivision 3.*

*Subd. 6. [OTHER COMPANIES OR AGENTS ACTING ON ITS BEHALF] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.*

**Sec. 12. [72A.50] [PREVIOUS ADVERSE UNDERWRITING DECISIONS.]**

*Subdivision 1. [ADDITIONAL INFORMATION REQUIRED.] An insurer, insurance agent, or insurance-support organization may not seek information in connection with an insurance transaction concerning any previous adverse underwriting decision experienced by a person, or any previous insurance coverage obtained by a person through a residual market mechanism, unless the inquiry also requests the reasons for the previous adverse underwriting decision or the reasons why insurance coverage was previously obtained through a residual market mechanism.*

*Subd. 2. [PROHIBITIONS.] An insurer or insurance agent may not base an adverse underwriting decision, in whole or in part, on:*

*(1) the fact of a previous adverse underwriting decision or the fact that a person previously obtained insurance coverage through a residual market mechanism, provided that an insurer or insurance agent may base an adverse underwriting decision on further information obtained from an insurer or insurance agent responsible for a previous adverse underwriting decision; or*

*(2) personal information received from an insurance-support organization whose primary source of information is insurers, provided that an insurer or insurance agent may base an adverse underwriting decision on further personal information obtained as the result of information received from the insurance-support organization.*

**Sec. 13. [72A.501] [DISCLOSURE AUTHORIZATION.]**

*Subdivision 1. [REQUIREMENT; CONTENT.] An authorization used*



by an insurer, insurance-support organization, or insurance agent to disclose or collect personal information must be in writing and must meet the following requirements:

- (1) is written in plain language;
- (2) is dated;
- (3) specifies the types of persons authorized to disclose information about the person;
- (4) specifies the nature of the information authorized to be disclosed;
- (5) names the insurer or insurance agent and identifies by generic reference representatives of the insurer to whom the person is authorizing information to be disclosed;
- (6) specifies the purposes for which the information is collected; and
- (7) specifies the length of time the authorization remains valid.

*Subd. 2. [APPLICATION.] (a) If the authorization is signed for the purpose of collecting information in connection with an application for a property and casualty insurance policy, a policy reinstatement, or a request for a change in benefits, the authorization may not remain valid for longer than one year from the date the authorization is signed or the date the insurer grants or denies coverage, reinstatement, or change in benefits, whichever is sooner.*

*(b) If the authorization is signed for the purpose of collecting information in connection with an application for a life, disability, and health insurance policy or contract, reinstatement, or request for change in benefits, the authorization may not remain valid for longer than 26 months from the date the authorization is signed.*

*Subd. 3. [CLAIMS.] If the authorization is signed for the purpose of collecting information in connection with a claim for benefits under an insurance policy, the authorization may not remain valid for longer than:*

- (1) the term of coverage of the policy, if the claim is for a health insurance benefit; or*
- (2) the duration of the claim, if the claim is for a claim other than for a health insurance benefit.*

*Subd. 4. [AUTHORIZATION; NON-INSURERS.] If an authorization is submitted to an insurer, insurance-support organization, or insurance agent by a person other than an insurer, insurance-support organization, or insurance agent, the authorization must be dated, signed by the person, and obtained one year or less prior to the date a disclosure is sought.*

#### **Sec. 14. [72A.502] [DISCLOSURE OF INFORMATION; LIMITATIONS AND CONDITIONS.]**

*Subdivision 1. [REQUIREMENT.] An insurer, insurance agent, or insurance-support organization may not disclose any personal or privileged information about a person collected or received in connection with an insurance transaction without the written authorization of that person except as authorized by this section. An insurer, insurance agent, or insurance-support organization may not collect personal information about a policyholder or an applicant not relating to a claim from sources other than public records without a written authorization from the person.*

*Subd. 2. [PREVENTION OF FRAUD.] Personal or privileged information may be disclosed without a written authorization to another person if the information is limited to that which is reasonably necessary to detect or prevent criminal activity, fraud, material misrepresentation, or material nondisclosure in connection with an insurance transaction, and that person agrees not to disclose the information further without the individual written authorization unless the further disclosure is otherwise permitted by this section if made by an insurer, insurance agent, or insurance-support organization.*

*Subd. 3. [HEALTH CARE INSTITUTIONS AND PROFESSIONALS.] Personal or privileged information may be disclosed without a written authorization to a health care institution or health professional for the purpose of verifying insurance coverage benefits, informing a person of a health problem of which the person may not be aware, or conducting an operations or services audit, if the information is only disclosed that is reasonably necessary to accomplish the purposes under this subdivision.*

*Subd. 4. [REGULATORY AUTHORITY.] Personal or privileged information may be disclosed without a written authorization to an insurance regulatory authority.*

*Subd. 5. [OTHER GOVERNMENTAL AUTHORITIES.] Personal or privileged information may be disclosed without a written authorization to a law enforcement or other governmental authority if:*

*(1) the disclosure is to protect the interests of the insurer, agent, or insurance-support organization in preventing or prosecuting the perpetration of fraud upon it; or*

*(2) the insurer, agent, or insurance-support organization reasonably believes that illegal activities have been conducted by the individual.*

*Subd. 6. [OTHER LAWS OR ORDER.] Personal or privileged information may be disclosed without a written authorization if permitted or required by another law or in response to a facially valid administrative or judicial order, including a search warrant or subpoena.*

*Subd. 7. [ACTUARIAL AND RESEARCH STUDIES.] Personal or privileged information may be disclosed without a written authorization for the purpose of conducting actuarial or research studies if:*

*(1) no individual may be identified in the actuarial or research report;*

*(2) materials allowing an individual to be identified are returned or destroyed as soon as they are no longer needed; and*

*(3) the actuarial or research organization agrees not to disclose the information unless the disclosure would otherwise be permitted by this section if made by an insurance company, agent, or insurance-support organization.*

*Subd. 8. [AFFILIATE COMPANIES.] Personal or privileged information may be disclosed without a written authorization to an affiliate whose only use of the information will be in connection with an audit of the insurer or agent or the marketing of an insurance product or service, provided the affiliate agrees to not disclose the information for any other purpose or to unaffiliated persons.*

*Subd. 9. [GROUP POLICYHOLDER.] Personal or privileged information may be disclosed with written authorization to a group policyholder*

*only for the purpose of reporting claims experience or conducting an audit of the insurer's or agent's operations or services, provided the information disclosed is reasonably necessary for the group policyholder to conduct the review or audit.*

*Subd. 10. [GOVERNMENTAL LICENSING BOARD.] Personal or privileged information may be disclosed without a written authorization to a governmental professional licensing or regulatory board for the purpose of reviewing the service or conduct of a health care institution or health professional which the insurer has reason to believe has violated their licensing act or engaged in the unlawful practice of a licensed professional.*

*Subd. 11. [PROFESSIONAL PEER REVIEW.] Subject to the terms of a contract between an insurer and a health professional or health care institution, personal or privileged information may be disclosed without a written authorization to a professional peer review organization for the purpose of reviewing the service or conduct of a health care institution or health professional.*

*Subd. 12. [NOTICE.] Whenever an insurer, insurance agent, or insurance-support organization discloses personal or privileged information about a person that requires the written authorization of that person under this section, the insurer, insurance agent, or insurance-support organization shall notify that person in writing within ten days of the date the information was disclosed. The notification must specify the identity of the person to whom information was disclosed and the nature and substance of the information that was disclosed. A notice is not required to be given under this subdivision if an insurer is disclosing personal information for underwriting purposes to another insurer, or to an insurance-support organization if the person had signed an authorization authorizing the disclosure.*

**Sec. 15. [72A.503] [PRIVATE REMEDIES.]**

*Subdivision 1. [LIABILITY.] Any insurer, insurance agent, or insurance-support organization that violates sections 2 to 17 shall be liable to the aggrieved person for all actual damages sustained by the person as a result of the violation. In determining the amount of general damages the court must consider the nature and seriousness of any intangible harm suffered by the person, the frequency and persistence of violations by the defendant, and the extent to which the violation was intentional, provided that the general damages awarded must be at least \$100 but not more than \$10,000.*

*Subd. 2. [EQUITABLE RELIEF] Upon application by an aggrieved person, a court of competent jurisdiction may grant equitable and declaratory relief as necessary to enforce the requirements of sections 2 to 17.*

*Subd. 3. [COSTS.] In any successful action brought under this section, the costs of the action, including reasonable attorney fees as determined by the court, may be awarded in addition to any damages.*

**Sec. 16. [72A.504] [OBTAINING INFORMATION UNDER IMPROPER MEANS.]**

*Any person who knowingly and willfully obtains information about a person in violation of section 5 is subject to a fine not to exceed \$3,000 or imprisonment not to exceed one year, or both.*

**Sec. 17. [72A.505] [IMMUNITY.]**

*No cause of action in the nature of defamation, invasion of privacy, or negligence may arise against an insurer, insurance agent, or insurance-support organization for disclosing personal or privileged information required to be disclosed under sections 1 to 16, provided no immunity exists for disclosing false information with malice or willful intent to injure any person.*

Sec. 18. [EFFECTIVE DATE.]

*Sections 1 to 5 and 7 to 17 are effective August 1, 1989, and the rights granted under those sections are effective on that date, regardless of the date of the collection or receipt of the information which is subject to those sections. Section 6 is effective January 1, 1990, provided that insurers may use notices that are in substantial compliance with this section that have not been approved by the commissioner of commerce until July 1, 1990."*

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. 431: A bill for an act relating to public safety; regulating the operation and operators of elevators; amending Minnesota Statutes 1988, sections 183.351, by adding a subdivision; and 183.355; proposing coding for new law in Minnesota Statutes, chapter 183.

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 1988, section 16B.70, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION.] To defray the costs of administering sections 16B.59 to 16B.73, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows: (a) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration; (b) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (c) if the valuation is greater than \$2,000,000 the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (d) if the valuation is greater than \$3,000,000 the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (e) if the valuation is greater than \$4,000,000 the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (f) if the valuation exceeds \$5,000,000 the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value which exceeds \$5,000,000.

By September 1 of each odd-numbered year, the commissioner shall rebate to municipalities any money received under this section and section 16B.62 in the previous biennium in excess of the cost to the building code division ~~and the passenger elevator inspector in the department of labor and industry~~ in that biennium of carrying out their duties under sections 16B.59 to 16B.73. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the special revenue fund.

Sec. 2. [183.001] [ADMINISTRATION, PENALTIES.]

*The commissioner of the department of labor and industry shall administer chapter 183. In addition to the remedies provided for violations of this chapter, the commissioner may impose a penalty of up to \$1,000 for a violation of any provision of this chapter.*

Sec. 3. [183.02] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] When used in this chapter, the terms defined in this section have the meanings given them.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of the department of labor and industry.*

*Subd. 3. [DEPARTMENT.] "Department" means the department of labor and industry.*

Sec. 4. [183.022] [ELEVATOR AVAILABLE FOR INSPECTION.]

*A person, firm, entity, or corporation that owns or controls a building or other structure housing an elevator that is subject to inspection by the department, shall, upon request, provide access at a reasonable hour to the elevator for purposes of inspection.*

Sec. 5. Minnesota Statutes 1988, section 183.351, is amended by adding a subdivision to read:

*Subd. 5. As used in this chapter, "elevator" means moving walks and vertical transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters, handpowered elevators, endless belt lifts, and wheelchair platform lifts, but does not include external temporary material lifts or temporary construction personnel elevators at sites of construction of new or remodeled buildings.*

Sec. 6. Minnesota Statutes 1988, section 183.351, is amended by adding a subdivision to read:

*Subd. 6. [MUNICIPALITY.] "Municipality," as used in sections 183.351 to 183.358, means a city, county, or town meeting the requirements of section 368.01, subdivision 1.*

Sec. 7. Minnesota Statutes 1988, section 183.355, is amended to read:

183.355 [VIOLATIONS, PENALTIES.]

*Subdivision 1. [REMOVAL OF SEAL.] ~~Any~~ No person, firm or corporation ~~who violates any of the provisions of sections 183.351 to 183.355 or who removes~~ may remove any seal or notice forbidding the use of any such elevator, except by authority of the department of labor and industry or the licensing authority having jurisdiction over such elevator, or ~~who~~*

~~operates~~ operate such elevator after such notice has been attached forbidding its use, unless such notice has been removed by authority of the department of labor and industry or the licensing authority having jurisdiction over such elevator ~~shall be guilty of a misdemeanor.~~

*Subd. 2. [FALSE CERTIFICATION.] No inspector, or other party authorized by this section or by rule to inspect elevators, shall falsely certify the safety of an elevator, or grant a license or permit contrary to any provision of this chapter.*

*Subd. 3. [MINIMUM REQUIREMENTS.] No person, firm, or corporation shall construct, install, or repair an elevator that does not meet the minimum requirements of this chapter, adopted rules, or national codes adopted by rule.*

**Sec. 8. [183.357] [FEES FOR LICENSURE AND INSPECTION.]**

*Subdivision 1. [PERMITS.] No person, firm, or corporation shall construct or install an elevator without first filing an application for a permit with the department of labor and industry or a municipality authorized by subdivision 3 to inspect elevators. Projects under actual construction before July 1, 1989, are not required to obtain a permit from the department. Upon successfully completing inspection and the payment of the appropriate fee, the owner shall be granted an operating permit for the elevator.*

*Subd. 2. [CONTRACTOR LICENSES.] The commissioner may establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.*

*Subd. 3. [PERMISSIVE MUNICIPAL REGULATION.] A municipality that conducts a system of elevator inspection on a periodic basis in conformity with this chapter, state building code requirements, and adopted rules, and that employs or contracts with inspectors meeting the minimum requirements established by rule, may provide for the inspection of elevator installation, repair, construction, and the periodic routine inspection of elevators. A municipality may not adopt standards that do not conform to the uniform standards prescribed by the department.*

*If a municipality does not conduct elevator inspections as provided in this chapter, or if the commissioner determines that a municipality is not properly administering and enforcing the law, rules, and codes, the commissioner shall have the inspection, administration, and enforcement undertaken by a qualified inspector employed by the department.*

*Subd. 4. [DEPOSIT OF FEES.] Fees received under this section shall be deposited in the state treasury and credited to the special revenue fund.*

**Sec. 9. [183.358] [RULES.]**

*The commissioner may adopt rules for the following purposes:*

*(1) to set a fee pursuant to section 16A.128 for processing a construction or installation permit or elevator contractor license application;*

*(2) to set a fee pursuant to section 16A.128 to cover the cost of elevator inspections;*

*(3) to establish minimum qualifications for elevator inspectors that must include possession of a current journeyman elevator electrician's license issued by the state board of electricity and proof of successful completion*

*of the national elevator construction mechanic examination or equivalent experience;*

*(4) to establish criteria for the qualifications of elevator contractors;*

*(5) to establish elevator standards pursuant to sections 16B.61, subdivisions 1 and 2, and 16B.64; and*

*(6) to establish procedures for appeals of decisions of the commissioner pursuant to chapter 14 and procedures allowing the commissioner, prior to issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators."*

Delete the title and insert:

"A bill for an act relating to public safety; regulating the operation and operators of elevators; imposing penalties; amending Minnesota Statutes 1988, sections 16B.70, subdivision 1; 183.351, by adding subdivisions; and 183.355; proposing coding for new law in Minnesota Statutes, chapter 183." \*

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. 601: A bill for an act relating to employment; requiring a semi-annual survey to measure underemployment of Minnesota workers; 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 1988, section 268.31, is amended to read:

268.31 [DEVELOPMENT OF YOUTH EMPLOYMENT OPPORTUNITIES.]

To the extent of available funding, the commissioner of jobs and training shall establish a program to employ individuals from the ages of 14 years up to 22 years. Available money may be used: to operate this program on a full calendar year basis, to *provide transitional services*, to link basic skills training and remedial education to job training and school completion, and for support services. The amount spent on support services in any one fiscal year may not exceed 15 percent of the total annual appropriation for this program. Individuals employed in this program will be placed in service with departments, agencies, and instrumentalities of the state, county, local governments, school districts, with nonprofit organizations, and private sector employers. The maximum number of hours that an individual may be employed in a position supported under this program is 480 hours. Program funds may not be used for private sector placements. Program operators must use the targeted jobs tax credit, other federal, state, and local government resources, as well as private sector resources to fund private sector placements. The commissioner shall cooperate with the commissioner of human services in determining and implementing the most

effective means of disregarding a youth's earnings from family income for purposes of the aid to families with dependent children program, to the extent permitted by the federal government.

*Upon request of the commissioner of the department of natural resources, the commissioner may negotiate and provide available services for remedial skills, employability skills, and career counseling activities to youth in the Minnesota conservation corps program.*

Sec. 2. Minnesota Statutes 1988, section 268.677, is amended by adding a subdivision to read:

*Subd. 4. [ADDITIONAL ASSISTANCE.] Up to 10 percent of the money available under this section may be used to provide wage subsidies and other services to job applicants if it is determined that the job applicant does not have the necessary job skills for placement with an eligible business or nonprofit employer. No more than 20 percent of job applicants assisted under this section may receive assistance under this subdivision. The money available under this subdivision is not subject to the allocation among employers under section 268.676, subdivision 2, and the allocation between wage subsidies and services under subdivision 1 of this section. The assistance provided under this subdivision may be used for:*

*(1) wage subsidies and fringe benefits for the employment of the eligible job applicant by an eligible employer for up to an additional 520 hours over 13 weeks;*

*(2) wage subsidies for the temporary employment of the eligible job applicant in a setting where the applicant may enhance their job skills; and*

*(3) costs of providing other services or activities to prepare the eligible job applicant for permanent employment.*

Sec. 3. [268.98] [SUBEMPLOYMENT INDEX.]

*(a) The commissioner shall undertake or contract for a statewide survey conducted at least semiannually to calculate a subemployment index. The index must measure the number of:*

*(1) persons who are discouraged workers or those persons who did not look for employment because they believed that no jobs were available in their geographic area or that no jobs were available for which they could qualify;*

*(2) persons who wanted to work full time but either could not find full-time employment in their geographic area or had a full-time job and had their hours reduced because of conditions beyond their control; and*

*(3) persons who work full time but earn insufficient income as measured by the federal poverty level or other measures of household income.*

*The commissioner must use federal definitions in developing the index to the greatest extent as is methodologically possible.*

*(b) The commissioner shall report the subemployment index both separately and combined with the unemployment rate at the time of each survey to the governor and the legislature following completion of each survey. The subemployment index data must be broken down by the categories contained in paragraph (a), clauses (1), (2), and (3).*

Sec. 4. [APPROPRIATIONS.]



(a) \$750,000 in fiscal year 1990 and \$750,000 in fiscal year 1991 is appropriated from the general fund to the commissioner of jobs and training to provide the transitional services authorized by section 1.

(b) \$260,000 in fiscal year 1990 and \$260,000 in fiscal year 1991 is appropriated from the general fund to the commissioner of jobs and training to ensure that enrollment levels or jobs in the youth employment program under section 1 are not reduced as a result of the increase in the state's minimum wage.

(c) \$18,000,000 is appropriated from the general fund for the biennium ending June 30, 1991 to the commissioner of jobs and training for the wage subsidy program authorized under Minnesota Statutes 1988, sections 268.672 to 268.682.

(d) \$ . . . . . is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training to develop a methodology for measuring unemployment and underemployment of Minnesota workers as provided under section 3.

(e) \$ . . . . . is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training to conduct a statewide semiannual survey measuring unemployment and underemployment of Minnesota workers as provided under section 3.

Sec. 5. [EFFECTIVE DATE.]

*This act is effective July 1, 1989.*"

Delete the title and insert:

"A bill for an act relating to employment; providing transitional services to develop youth employment opportunities; requiring a semiannual survey to measure subemployment of Minnesota workers; appropriating money; amending Minnesota Statutes 1988, sections 268.31; and 268.677, by adding a subdivision; 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.

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 506: A bill for an act relating to charitable gambling; providing for its licensing and auditing; transferring certain powers and duties to the commissioner of revenue; specifying tax return and payment dates; providing for payment of interest; increasing fees; imposing penalties; amending Minnesota Statutes 1988, sections 349.11; 349.12, subdivisions 2, 3, 11, 12, 13, 15, 17, 20, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.16, subdivision 4; 349.161, subdivisions 3, 4, 5, 7, and 8; 349.162, subdivisions 1, 2, 3, 4, and 5; 349.163, and by adding a subdivision; 349.164, subdivisions 1, 2, 3, 5, and 6; 349.17, subdivisions 2a and 4; 349.18, subdivisions 1, 2, and by adding a subdivision; 349.19, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding subdivisions; 349.20; 349.21; 349.212, subdivision 4, and by adding subdivisions; 349.2121, subdivisions 2 and 3; 349.2122; 349.2125, subdivisions 1 and 2; 349.2127, subdivision 2, and by adding subdivisions; 349.213, subdivision 2; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; proposing coding for new law

in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1988, sections 349.151, subdivision 5; 349.171; 349.212, subdivision 2; and 349.2121, subdivision 6.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

GAMING ENFORCEMENT

Section 1. [299K.01] [DIVISION OF GAMING ENFORCEMENT.]

*Subdivision 1. [DIVISION.] A division of gaming enforcement is created in the department of public safety under the control and supervision of the director of gaming enforcement who shall be appointed by the commissioner of public safety. The director must be qualified by experience in law enforcement to act as the director.*

*Subd. 2. [REMOVAL.] The director of gaming enforcement may only be removed after notice and hearing for violation of section 4 or for malfeasance, nonfeasance, or misfeasance as defined under section 351.14, subdivisions 2, 3, and 4.*

*Subd. 3. [EMPLOYEES.] The director of gaming enforcement may employ other persons as necessary to carry out the director's powers and duties under this chapter. All professional employees, as defined under section 179A.03, subdivision 13, of the division of gaming enforcement are in the unclassified service. The director shall request that the bureau of criminal apprehension perform background checks on all persons seeking employment with the division.*

Sec. 2. [299K.02] [DUTIES OF DIRECTOR.]

*Subdivision 1. [LOTTERY.] (a) The director of gaming enforcement shall conduct background checks on employees of the state lottery, lottery retailers, and successful bidders of major procurement contracts with the lottery.*

*(b) The director of gaming enforcement shall, when so requested by the director of the state lottery, conduct investigations of lottery retailers, applicants for lottery retailer contracts, suppliers of goods or services to the state lottery, and persons bidding on contracts for goods or services with the state lottery.*

*(c) The director of gaming enforcement shall conduct an annual security audit of the state lottery, or arrange for such an audit by an outside agency or person, firm, or corporation. The director shall report to the state lottery board and the director of the lottery on the results of the audit.*

*Subd. 2. [CHARITABLE GAMBLING.] The director of gaming enforcement shall:*

*(1) conduct background investigations of applicants for licensing as a manufacturer or distributor of gambling equipment or as a bingo hall under chapter 349; and*

*(2) when requested by the charitable gambling control board, or the director of the board, inspect the premises of a licensee under chapter 349 to determine compliance with law and with the rules of the board, or to conduct an audit of the accounts, books, records, or other documents*

*required to be kept by the licensee.*

*Subd. 3. [HORSE RACING INVESTIGATIONS.] (a) The director of gaming enforcement shall conduct background investigations as provided by law on all applicants for licenses issued by the Minnesota racing commission.*

*(b) The director of gaming enforcement shall, upon request of the Minnesota racing commission, or the executive director of the racing commission, investigate the activities of a licensee of the commission to determine the licensee's compliance with law and with rules of the commission.*

*Subd. 4. [OTHER GAMBLING.] The director of gaming enforcement shall cooperate with all state and local agencies in the detection and apprehension of unlawful gambling.*

*Subd. 5. [BOARDS AND COMMISSION.] The director of gaming enforcement shall serve as a nonvoting, ex officio member of:*

- (1) the Minnesota racing commission;*
- (2) the charitable gambling control board; and*
- (3) the state lottery board.*

*Subd. 6. [BACKGROUND CHECKS.] In any background check required to be conducted by the director of gaming enforcement under chapter 240, 349, or 349A, the director may require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for the conducting of a national criminal history check.*

### **Sec. 3. [299K.03] [POWERS OF DIRECTOR.]**

*Subdivision 1. [INSPECTIONS; ACCESS.] In conducting any inspection authorized under chapter 240, 349, or 349A, the director of gaming enforcement has free and open access to all parts of the premises being inspected, and may conduct such an inspection at any reasonable time without notice and without a search warrant.*

*Subd. 2. [ITEMS REQUIRED TO BE PRODUCED.] In conducting any audit or inspection authorized under chapter 240, 349, or 349A, the director of gaming enforcement may inspect any book, record, or other document the licensee, retailer, or vendor is required to keep.*

*Subd. 3. [SUBPOENA POWER.] The director of gaming enforcement may issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to any investigation or audit the director is authorized to conduct.*

*Subd. 4. [ACCESS TO CRIMINAL HISTORY.] The director of gaming enforcement has access to all criminal history data compiled by the bureau of criminal apprehension on any person licensed under contract with the state lottery, racing commission, or the charitable gambling control board, or any applicant for licensing or a person who has submitted a bid on a contract.*

*Subd. 5. [ARREST POWERS.] The director of gaming enforcement may designate certain employees who are authorized to arrest or investigate any person who violates any provision of chapter 240, 349, or 349A, or commits any crime involving gambling, and to conduct searches and seizures to enforce any of those laws. Any employee authorized by this subdivision to make an arrest must be licensed under sections 626.84 to*

626.863.

*Subd. 6. [UNLICENSED SELLERS.] (a) If anyone not licensed under chapter 349 sells gambling equipment at a business establishment, the director of gaming enforcement or commissioner of revenue may, in addition to any other provisions of chapter 349:*

*(1) assess a civil penalty of \$300 against each person participating in the sales and assess a civil penalty of \$1,000 against the owner or owners of the business establishment; or*

*(2) if the subject violation is the second or subsequent violation of this subdivision at the same business establishment within any 24-month period, assess a civil penalty of \$300 against each person participating in such sales, and assess a civil penalty of \$5,000 against the owner or owners of the business establishment.*

*(b) The assessment of a civil penalty under this section does not preclude a recommendation by the director of gaming enforcement at any time deemed appropriate to a licensing authority for revocation, suspension, or denial of a license controlled by the licensing authority.*

*(c) The penalties assessed by this subdivision must be collected and interest assessed under this chapter or chapter 270. The provisions of section 270.72 apply to nonpayment of a penalty and interest assessed under this subdivision.*

*(d) Within ten days of an assessment under this subdivision, the person assessed the penalty must pay the assessment or request that a hearing be held under chapter 14. If a hearing is requested, the hearing must be scheduled within 20 days of the request, and the recommendations of the administrative law judge must be issued within five working days of the close of the hearing. The director of gaming enforcement's or commissioner of revenue's final determination must be issued within five working days of the issuance of the recommendations of the administrative law judge.*

*Subd. 7. [OTHER POWERS.] Nothing in this chapter limits the authority of the director of gaming enforcement to exercise any other power specified under chapter 240, 349, or 349A.*

*Subd. 8. [RULEMAKING.] The director of gaming enforcement may adopt rules, including emergency rules, under chapter 14 to carry out the director's duties under this chapter.*

**Sec. 4. [299K.04] [CONFLICT OF INTEREST.]**

*Subdivision 1. [INTEREST.] The director of gaming enforcement and any person employed by the division of gaming enforcement may not have any interest in:*

- (1) a class A or B licensee of the racing commission;*
- (2) a lottery retailer under contract with the state lottery;*
- (3) a person who is under a major procurement contract with the state lottery; or*
- (4) a bingo hall, manufacturer, or distributor licensed under chapter 349.*

*Subd. 2. [CHARITABLE GAMBLING.] The director of gaming enforcement or an employee of the division may not participate in the conducting*

*of lawful gambling under chapter 349.*

Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 4 are effective July 1, 1989.*

## ARTICLE 2

### CHARITABLE GAMBLING

Section 1. Minnesota Statutes 1988, section 349.11, is amended to read:  
349.11 [PURPOSE.]

The purpose of sections 349.11 to 349.22 is to regulate ~~legal forms of~~ *lawful gambling* to prevent ~~their~~ *its* commercialization, to insure integrity of operations, and to provide for the use of net profits only for lawful purposes.

Sec. 2. Minnesota Statutes 1988, section 349.12, subdivision 3, is amended to read:

Subd. 3. [ACTIVE MEMBER.] "Active member" means a member who has paid all dues to the organization, *who is 18 years of age or older, who has equal voting rights with all other members, who has equal opportunity to be an elected officer, who has equal right and responsibilities of attendance at the regularly scheduled meetings of the organization, whose name and membership origination date appear with the member's knowledge and consent on a list of members of the organization,* and who has been a member of the organization for at least six months.

Sec. 3. Minnesota Statutes 1988, 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) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling; (e) *payment of reasonable costs incurred in complying with the performing of annual audits required under section 349.19, subdivision 9; or (f) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization.*

"Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property *or capital assets* owned or leased by the organization, unless the board specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in clauses (a) to (c). The board may by rule adopt procedures and standards to administer this subdivision.

Sec. 4. Minnesota Statutes 1988, section 349.12, subdivision 12, is

amended to read:

Subd. 12. [ORGANIZATION.] "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, and either has been duly incorporated as a nonprofit organization for at least three years, or has been recognized by the Internal Revenue Service as exempt from income taxation for the most recent three years.

Sec. 5. Minnesota Statutes 1988, section 349.12, subdivision 13, is amended to read:

Subd. 13. [GROSS PROFIT.] "Gross profit" means the gross receipts collected from lawful gambling, less reasonable sums necessarily and actually expended for prizes.

Sec. 6. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

*Subd. 13a.* [NET PROFIT.] "*Net profit*" means gross profit less reasonable sums actually expended for allowable expenses.

Sec. 7. Minnesota Statutes 1988, section 349.12, subdivision 15, is amended to read:

Subd. 15. [GAMBLING EQUIPMENT.] "Gambling equipment" means: bingo cards ~~and or sheets~~, devices for selecting bingo numbers, pull-tabs, jar tickets, paddlewheels, and tipboards.

Sec. 8. Minnesota Statutes 1988, section 349.12, subdivision 17, is amended to read:

Subd. 17. [DISTRIBUTOR.] "Distributor" is a person who sells gambling equipment ~~the distributor manufactures or purchases for resale~~ within the state to licensed organizations, to organizations conducting exempt activities under section 349.214, or to other distributors.

Sec. 9. Minnesota Statutes 1988, section 349.12, subdivision 20, is amended 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 entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 10. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

*Subd. 21.* [CAPITAL ASSETS.] "*Capital assets*" means property, real or personal, except gambling equipment, with an expected useful life of at least one year.

Sec. 11. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

*Subd. 22.* [DIRECTOR.] "*Director*" is the director of the charitable gambling control board.

Sec. 12. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

*Subd. 23.* [MANUFACTURER.] "*Manufacturer*" means a person or entity who assembles from raw materials or subparts a completed piece

*of gambling equipment, and who sells or furnishes the equipment for resale or for use in the state. The term includes a person who converts, modifies, adds to, or removes parts or a portion from an item, device, or assembly to further its promotion, sale, or use as gambling equipment in this state. A person only adding or modifying promotional flures to advise the public of the prizes available, the rules of play, and the consideration required is not a manufacturer.*

Sec. 13. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

*Subd. 24. [PROMOTIONAL TICKET.] A pull-tab or tipboard ticket with the words "no purchase necessary" and "for promotional use only" and for which no consideration is given is a promotional ticket.*

Sec. 14. Minnesota Statutes 1988, 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 *allowable expenses* as authorized at a regular meeting of the conducting organization. Provided that 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~~ *allowable* expenses related to lawful gambling.

(b) The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense 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.

(c) *Allowable expenses also include reasonable costs of bank account service charges, and the reasonable costs of an audit required by the board, except an audit required under section 349.19, subdivision 9.*

Sec. 15. Minnesota Statutes 1988, section 349.151, is amended to read:  
349.151 [CHARITABLE GAMBLING CONTROL BOARD.]

Subdivision 1. [BOARD CREATED.] The charitable gambling control board is created with the powers and duties established by subdivision 4 3.

Subd. 2. [MEMBERSHIP.] The board consists of ~~13~~ *five* members appointed as follows:

~~(1) eleven persons appointed by the governor for terms of six years with the advice and consent of the senate; at least four of whom must reside outside of the seven-county metropolitan area;~~

~~(2) the commissioner of public safety or a designee; and~~

~~(3) the attorney general or a designee.~~

~~A member serving on the board by appointment must have been a resident of Minnesota for at least five years. Of the appointees of the governor not more than six may belong to the same political party. A member appointed to the board may be removed at any time by the appointing authority.~~

~~Vacancies on the board are filled in the same manner as the original appointment. Of the members appointed by the governor, three are for terms expiring June 30, 1985, four are for terms expiring June 30, 1986, and four are for terms expiring June 30, 1987. After the expiration of the initial terms, appointments are for three years. No more than three members of the board may belong to the same political party and at least two members must have been domiciled at the time of appointment outside the seven-county metropolitan area. The governor shall appoint the chair from among the governor's appointees. A person may not serve more than two full terms on the board. Members of the board must devote full time to the duties of the board and may not be engaged in any other occupation or profession. The director of gaming enforcement shall serve as a nonvoting, ex officio member of the board.~~

Subd. 3. [~~COMPENSATION.~~] ~~The compensation of board members is as provided in section 15.0575, subdivision 3.~~

~~Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:~~

~~(1) to issue, revoke, and suspend licenses to organizations, distributors, bingo halls, and manufacturers under sections 349.16, 349.161, 349.164, and 349.163;~~

~~(2) to collect and deposit license fees and taxes due under this chapter;~~

~~(3) to receive reports required by this chapter and inspect the records, books, and other documents of organizations and suppliers to insure compliance with all applicable laws and rules;~~

~~(4) to make rules, including emergency rules, required by this chapter;~~

~~(5) to register gambling equipment and issue registration stamps under section 349.162;~~

~~(6) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;~~

~~(7) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing charitable gambling; and~~

~~(8) impose civil penalties of not more than \$500 per violation on organizations, distributors, and manufacturers for failure to comply with any provision of sections 349.12 to 349.23 or any rule of the board; and~~

~~(9) to notify city councils, county boards, and town boards before issuing or renewing licenses to organizations and bingo halls as specified under section 349.213.~~

~~(b) Any organization, distributor, bingo hall operator, or manufacturer assessed a civil penalty may request a hearing before the board. Hearings conducted on appeals of imposition of penalties are not subject to the provisions of the administrative procedure act.~~

~~(c) All fees and penalties received by the board must be deposited in the general fund.~~

Subd. 4a. [ADDITIONAL POWERS.] Whenever it appears to the board director that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule:



(a) The ~~board~~ director has the power to issue and cause to be served upon the person an order requiring the person to cease and desist from violations of this chapter. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. A hearing shall be held not later than seven days after the request for the hearing is received by the board after which and within 20 days of the date of the hearing the board shall issue a ~~further an~~ order vacating the cease and desist order or making it permanent as the facts require. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(b) The board may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter or any rule and may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the board to post a bond.

~~Subd. 5. [EMPLOYEES.] The board shall employ an executive secretary in the unclassified service and such other employees in the classified service as are required to enable it to carry out its functions. One or more of the employees must be bingo inspectors.~~

~~Subd. 6. [ATTORNEY GENERAL.] The attorney general is the attorney for the board.~~

Sec. 16. [349.152] [DIRECTOR.]

*Subdivision 1. [APPOINTED.] The board shall appoint, with the advice and consent of the senate, a person qualified by experience and training to act as the director. The director shall be in the unclassified service.*

*Subd. 2. [DUTIES OF THE DIRECTOR.] The director has the following duties:*

- (1) to carry out charitable gambling policy established by the board;*
- (2) to employ and supervise personnel of the board;*
- (3) to make recommendations to the board on rules;*
- (4) to make recommendations to the board on license issuance, denial, suspension and revocation, and civil penalties the board imposes; and*
- (5) to insure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees.*

Sec. 17. [349.153] [REMOVAL; CONFLICT OF INTEREST.]

*Subdivision 1. [REMOVAL OF BOARD MEMBERS OR DIRECTOR.] A member of the board or the director may only be removed after notice and hearing for violating subdivision 2, or for malfeasance, nonfeasance, or misfeasance as defined under section 351.14, subdivisions 2, 3, and 4.*

*Subd. 2. [CONFLICT OF INTEREST.] (a) A person may not serve on the board, be the director, or be an employee of the board who has an interest in any corporation, association, or partnership that is licensed by the board as a distributor, manufacturer, or a bingo hall under section*

349.164.

*(b) A member of the board, the director, or an employee of the board may not participate in the conducting of lawful gambling.*

Sec. 18. Minnesota Statutes 1988, section 349.16, subdivision 4, is amended to read:

Subd. 4. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations *or bingo halls* applying for or renewing a license to conduct lawful gambling *or operate a bingo hall*. An investigation fee may not exceed the following limits:

- (1) for cities of the first class, \$500;
- (2) for cities of the second class, \$250; ~~and~~
- (3) for all other cities ~~and counties~~, \$100; *and*
- (4) *for counties, \$500.*

Sec. 19. Minnesota Statutes 1988, section 349.161, is amended to read:

349.161 [DISTRIBUTOR LICENSES.]

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state for gambling purposes, other than for lawful gambling exempt from licensing under section 349.214, except to an organization licensed for lawful gambling; or

(2) sell, offer for sale, or furnish gambling equipment to an organization licensed for lawful gambling without having obtained a distributor license under this section.

No licensed organization may purchase gambling equipment from any person not licensed as a distributor under this section.

Subd. 2. [LICENSE APPLICATION.] The board may issue licenses for the sale of gambling equipment to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22: Applications must be on a form the board prescribes.

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor a person, who:

(1) has been convicted of a felony ~~in a state or federal court~~ within the past five years ~~or who has a felony charge pending~~;

(2) ~~has ever been convicted in a state or federal court of a gambling-related offense within ten years of the date of license application~~ *felony involving fraud or misrepresentation or a crime involving gambling*; ~~or~~

(3) is or has ever been engaged in an illegal business;

(4) *owes \$500 or more in delinquent taxes as defined in section 270.72;*

(5) *has had a sales and use tax permit revoked by the commissioner of*

revenue within the last two years;

(6) after demand, has not filed tax returns required by the commissioner of revenue; or

(7) has not complied with any other lawful order of the board, commissioner of revenue, or director of gaming enforcement.

Subd. 4. [FEES.] The annual fee for a ~~supplier's~~ distributor's license is \$1,500.

Subd. 5. [PROHIBITION.] (a) No distributor, or employee ~~eligible to make sales on behalf~~ of a distributor, may also be a wholesale distributor of liquor or alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, distributor's representative, or employee ~~authorized to make sales on behalf~~ of a distributor, may be involved directly in the operation of lawful gambling conducted by an organization.

(c) No manufacturer or distributor or person acting as a representative, agent, or employee of a manufacturer or distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor, distributor's representative, or employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor is being used in the conduct of lawful gambling.

(e) No distributor, distributor's representative, or employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

Subd. 6. [REVOCAION 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.

Subd. 7. [CRIMINAL HISTORY.] The board may request the assistance of the ~~bureau of criminal apprehension~~ director of gaming enforcement in investigating the background of an applicant for a distributor's license and may reimburse the ~~bureau~~ director of gaming enforcement for the costs thereof. The board has access to all criminal history data compiled by the ~~bureau of criminal apprehension and the director of gaming enforcement~~ on licensees and applicants.

Subd. 8. [EMPLOYEES OF DISTRIBUTORS.] Licensed distributors shall provide the board upon request with the names and ~~business home~~ addresses of all employees. Each ~~person eligible to conduct sales on behalf~~ of a distributor, ~~employee of a distributor, or a person making sales of gambling equipment on behalf of a distributor~~ must have in their possession a picture identification card approved by the board.

Sec. 20. Minnesota Statutes 1988, section 349.162, is amended to read:  
349.162 [EQUIPMENT REGISTERED.]

Subdivision 1. [STAMP REQUIRED.] A distributor may not sell ~~to an organization and an organization may not purchase, transfer, furnish, or~~

*otherwise provide to a person, organization, or distributor, and no person, organization, or distributor may purchase, borrow, accept, or acquire from a distributor gambling equipment unless the equipment has been registered with the board and has a registration stamp affixed. The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor is entitled to a refund for unused stamps and replacement for stamps which are defective or canceled by the distributor.*

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

- (1) the identity of the person or firm from whom the equipment was purchased;
  - (2) the registration number of the equipment;
  - (3) the name and address of the organization to which the sale was made;
- and**
- (4) the date of the sale;
  - (5) *the name of the person who ordered the equipment; and*
  - (6) *the name of the person who received the equipment.*

The invoice for each sale must be retained for at least ~~one year~~ *three and one-half years* after the sale is completed and a copy of ~~the each~~ *each* invoice is ~~to be~~ *delivered* to the board ~~in the manner and time prescribed by the board.~~ For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. ~~Employees of the board~~ *The director of gaming enforcement, or the director's authorized representative,* may inspect the books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

Subd. 3. [EXEMPTION.] For purposes of this section, bingo cards ~~intended to be used for more than one game or sheets~~ need not be ~~registered stamped.~~

Subd. 4. [PROHIBITION.] (a) No person other than a licensed ~~organization or a licensed~~ distributor may possess *unaffixed* registration stamps issued by the board.

(b) *Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been registered with the board.*

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale in Minnesota must, prior to ~~its~~ *the equipment's* resale, be unloaded into a *sales or storage* facility located in Minnesota which the distributor owns or leases; *and which has been registered, in advance and in writing, with the board as a sales or storage facility of the distributor's.* All *unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a sales or storage facility which has been registered with the board. No gambling equipment may be moved from the facility without having been first registered with the board.*

*(b) All sales and storage facilities owned, leased, used, or operated by a licensed distributor may be entered upon and inspected by the director of gaming enforcement or the director's authorized representatives during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a distributor's licenses and permits issued under this chapter.*

*(c) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than a registered sales or storage facility are contraband under section 349.2125.*

Sec. 21. Minnesota Statutes 1988, section 349.163, is amended to read:

349.163 [~~REGISTRATION LICENSING OF MANUFACTURERS.~~]

Subdivision 1. [~~REGISTRATION LICENSE.~~] No manufacturer of gambling equipment may sell any gambling equipment to any person unless the manufacturer has ~~registered with the board and~~ has been issued a ~~certificate of registration license by the board.~~

Subd. 2. [~~CERTIFICATE LICENSE; FEE.~~] A ~~certificate license~~ under this section is valid for one year. The annual fee for ~~registration the license~~ is \$500.

Subd. 3. [~~PROHIBITED SALES.~~] A manufacturer may not sell gambling equipment to any person not licensed as a distributor unless the manufacturer is also a licensed distributor.

Subd. 4. [~~INSPECTION OF MANUFACTURERS.~~] *The director of gaming enforcement may inspect the books, records, inventory, and manufacturing operations of a licensed manufacturer without notice during the normal business hours of the manufacturer.*

Sec. 22. Minnesota Statutes 1988, section 349.164, is amended to read:

349.164 [BINGO HALL LICENSES.]

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one ~~licensed individual, corporation, partnership, or organization~~ to conduct bingo without having obtained a bingo hall license under this section, unless the ~~person lessor~~ is a licensed organization.

Subd. 2. [LICENSE APPLICATION.] The board may issue a bingo hall license to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22. Applications must be on a form the board prescribes. *The board may not issue or renew a bingo hall license unless the conditions of section 349.213, subdivision 2, have been satisfied.*

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a 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 *ever* been convicted ~~in a state or federal court~~ of a ~~gambling-related offense within ten years of the date of license application~~ *felony involving fraud or misrepresentation or a crime involving gambling; or*

(3) *owes delinquent taxes in excess of \$500 as defined in section 270.72.*

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~~ *director of gaming enforcement* in investigating the background of an applicant for a bingo hall license and may reimburse the ~~bureau~~ *director of gaming enforcement* for the costs. The board has access to all criminal history data compiled by the ~~bureau of criminal apprehension and the director of gaming enforcement~~ on licensees and applicants.

Subd. 6. [PROHIBITION.] No bingo hall licensee may also be a licensed distributor or ~~registered licensed~~ manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163 *or a wholesale distributor of alcoholic beverages.*

Subd. 7. [RESTRICTIONS.] A bingo hall licensee or affiliate of the licensee may not:

(1) 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 fee to a person at a bingo occasion, without which the person could not play a bingo game.

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. [REVOCAION 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. 23. Minnesota Statutes 1988, section 349.17, subdivision 2a, is amended to read:

Subd. 2a. [DISTRIBUTOR LICENSE EXEMPTION FOR LESSOR.] As part of a lease agreement on a leased bingo premises, the lessor may furnish bingo equipment without being a licensed distributor. *For purposes of this section, "furnish" does not include the right to sell or offer for sale.*

Sec. 24. Minnesota Statutes 1988, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of ~~at least~~ one year and must be in writing. Copies of all leases must be made available to employees of the board on

request. A lease may not provide for rental payments based on a percentage of determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity in a leased space during times the space is leased for lawful gambling.

Sec. 25. Minnesota Statutes 1988, section 349.18, is amended by adding a subdivision to read:

*Subd. 1a. [STORAGE OF GAMBLING EQUIPMENT.] (a) Gambling equipment owned by or in the possession of a licensed organization must be kept at a licensed gambling premises owned or operated by the organization, or at other storage sites within the state that the organization has notified the board are being used as gambling equipment storage sites. At each storage site or licensed premises, the organization must have the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the site or premises.*

*(b) Gambling equipment owned by a licensed organization must be kept separate from gambling equipment owned by other persons, organizations, distributors, or manufacturers consistent with the organization's internal controls filed with the board.*

*(c) Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.*

*(d) A licensed organization may transport gambling equipment it owns or possesses between approved gambling equipment storage sites and to and from licensed distributors.*

Sec. 26. Minnesota Statutes 1988, section 349.19, subdivision 2, is amended to read:

*Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling by each organization at each licensed premises must be segregated from all other revenues of the conducting organization and placed in a separate account. The name and address of the bank and the account number for that separate account for that licensed premises, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made. Gambling receipts must be deposited into the gambling bank account within 24 hours of completion of the bingo occasion, deal, or game from which they are received, and deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.*

Sec. 27. Minnesota Statutes 1988, section 349.19, subdivision 3, is amended to read:

*Subd. 3. [EXPENDITURES.] All expenditures of profits from lawful gambling must be itemized as to payee, purpose, amount, and date of payment. Authorization of the expenditures must be recorded in the regular*

*meeting minutes of the licensed organization.*

Sec. 28. Minnesota Statutes 1988, section 349.19, subdivision 6, is amended to read:

Subd. 6. [PRESERVATION OF RECORDS.] The board may require that records required to be kept by this section must be preserved by a licensed organization for at least two years and may be inspected by ~~employees of the board~~ *the director of gaming enforcement or the director's authorized representatives* at any reasonable time without notice or a search warrant.

Sec. 29. Minnesota Statutes 1988, section 349.19, is amended by adding a subdivision to read:

Subd. 8. [TERMINATION PLAN.] *Upon termination of a license for any reason, a licensed organization must notify the board in writing within 15 calendar days of the license termination date of its plan for disposal of registered gambling equipment and distribution of remaining gambling proceeds. Before implementation, a plan must be approved by the board. The board may accept or reject a plan and order submission of a new plan or amend a proposed plan. The board may specify a time for submission of new or amended plans or for completion of an accepted plan.*

Sec. 30. Minnesota Statutes 1988, section 349.19, is amended by adding a subdivision to read:

Subd. 9. [ANNUAL AUDIT; FILING REQUIREMENT.] *An organization licensed under this chapter must have an annual financial audit of its lawful gambling activities and funds performed by an independent auditor licensed by the state of Minnesota or performed by an independent accountant who has had prior approval of the board. A complete, true, and correct copy of the audit report must be filed with the board upon completion of the audit.*

Sec. 31. Minnesota Statutes 1988, section 349.20, is amended to read:

349.20 [MANAGERS.]

(a) All lawful gambling conducted by a licensed organization must be under the supervision of one or more gambling managers. A gambling manager designated by an organization to supervise a gambling occasion is responsible for the gross receipts from the occasion and for its conduct in compliance with all laws and rules. An organization may designate a different person to act as manager for each type of lawful gambling conducted. Each person designated as a gambling manager must give a fidelity bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of the manager's duties, and the terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation.

(b) A person may not act as a gambling manager for more than one organization.

(c) *An organization may not conduct lawful gambling without having a gambling manager. The board must be notified in writing of a change in gambling managers. Notification must be made within ten days of the date the gambling manager assumes the manager's duties.*

Sec. 32. Minnesota Statutes 1988, section 349.21, is amended to read:

349.21 [COMPENSATION.]



*Subdivision 1. [TO WHOM PAID.] Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that nonmanagement assistants who are not active members or spouses may be hired to assist in the conduct of lawful gambling in nonmanagement positions if approved by a majority of the organization's members.*

*Subd. 2. [AMOUNTS PAID.] The amounts of compensation which may be paid under this section may be provided for in a schedule of compensation adopted by the board by rule. In adopting a schedule the board must consider the nature of the participation and the types of lawful gambling participated in.*

*Subd. 3. [COMPENSATION RECORDS.] An organization paying compensation to persons for the conduct of lawful gambling must maintain a compensation record. The record must be retained for at least two years after the month in which the compensation is paid. The record must be an itemization of each payment made to each recipient of compensation, and must include the amount of compensation paid and the full name, home address, and membership status of each recipient.*

*Subd. 4. [COMPENSATION PAID BY CHECK.] Compensation paid by an organization in connection with lawful gambling must be in the form of a check drawn on the organization's charitable gambling account, as specified in section 349.19.*

*Subd. 5. [PENALTY.] (a) An organization that makes payment of compensation, or causes compensation to be made, which violates the provisions of subdivision 4 shall be assessed a civil penalty not to exceed \$1,000 for each violation of subdivision 4. A second violation within 12 months of notification by the board to the organization of the first violation shall result in suspension of the organization's gambling license for a period of three months, in addition to any civil penalty assessed. A third violation within 12 months of the board's notification to the organization of the second violation shall result in revocation of the organization's gambling license in addition to any civil penalty assessed.*

*(b) Upon each violation the director shall notify the organization in writing of its violation and of the penalties under this subdivision for future violations. Notification is effective upon mailing.*

*(c) For purposes of this subdivision, a violation consists of a payroll period or compensation date that includes payments made in violation of subdivision 4.*

*Subd. 6. [PERCENTAGE OF GROSS RECEIPTS PAID.] A licensed organization may pay a percentage of the gross receipts from raffle ticket sales to a nonprofit organization which sells tickets for the licensed organization.*

*Subd. 7. [DIRECT PAYMENT.] All compensation must be paid directly from the organization to the employees of the organization.*

Sec. 33. Minnesota Statutes 1988, section 349.212, subdivision 1, is amended to read:

*Subdivision 1. [RATE.] (a) 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 *the tax imposed under subdivision 5 and a fee authorized under section 349.16, subdivision 4. The tax is payable as provided in this section.*

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.

*(b) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed or exempt organization, or to an organization holding an exemption identification number. The rate of the tax is ten percent of the ideal net of the pull-tab and tipboard deal. The tax is payable as provided in section 349.212, subdivision 8. 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 paragraph. 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 paragraph has been paid and is exempt from all local taxes and license fees except taxes and fees authorized under subdivision 5 and section 349.16, subdivision 4. The liability for the tax 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, unless the distributor's method of accounting is on a cash basis. The exemptions in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this paragraph.*

*The tax imposed by this paragraph is imposed on all sales of pull-tabs and tipboards, except the following are exempt:*

*(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;*

*(2) sales to distributors licensed under this chapter;*

*(3) sales to distributors licensed under the laws of another state or of a Province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and*

*(4) sales of promotional tickets as defined in section 349.12.*

Sec. 34. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

*Subd. 6. [POWERS OF COMMISSIONER OF REVENUE.] (a) The commissioner of revenue has the same authority and powers over persons required to pay a tax under subdivision 1 as the commissioner has over persons liable for sales and use tax under chapter 297A.*

*(b) The commissioner of revenue may investigate and order the production of any records or books, or require the testimony of any person relating to enforcement of the collection of any tax owed under this chapter.*

Sec. 35. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

*Subd. 7. [DUE DATE FOR FILING RETURNS.] Tax returns required to be made under subdivision 1 must be filed on or before the 20th day of each month following the close of the preceding reporting period.*

Sec. 36. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

*Subd. 8. [TIME FOR PAYMENT.] The tax imposed by subdivision 1 is due and payable to the commissioner of revenue on or before the 20th day of the month after the reporting period in which the taxable event occurred. The tax must be reported on a form prescribed by the commissioner of revenue. The taxes received by the commissioner must be paid to the state treasurer and deposited in the general fund.*

Sec. 37. Minnesota Statutes 1988, section 349.2121, subdivision 2, is amended to read:

*Subd. 2. [RECORDS.] A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of pull-tabs and tipboards held, purchased, manufactured, or brought in or caused to be brought in from without this state, and of all sales of pull-tabs and tipboards. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all pull-tab and tipboard deals on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of pull-tab and tipboard deals. Books, records, and other papers and documents required by this section must be kept for a period of at least 3-1/2 years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner of revenue authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner of revenue, ~~executive secretary of the charitable gambling control board~~ *director of gaming enforcement*, or any of their duly authorized agents or employees, may enter a place of business of a distributor, ~~or charitable organization, or any site from which pull-tabs or tipboards or other gambling equipment are being sold, or any site at which lawful gambling is being conducted,~~ and inspect the premises and the records required to be kept under this section to determine whether or not all the provisions of this section are being fully complied with. If the commissioner of revenue, ~~executive secretary~~ *director of gaming enforcement*, or their duly authorized agents or employees are denied free access to or are hindered or interfered with in making an inspection of the distributor's place of business, the permit of the distributor may be revoked by the commissioner, and the license of the distributor may be revoked by the charitable gambling control board.*

Sec. 38. Minnesota Statutes 1988, section 349.2121, subdivision 3, is amended to read:

*Subd. 3. [SUSPENSION, REVOCATION.] (a) The commissioner of revenue, after giving notice and hearing, may for reasonable cause revoke or suspend a permit held by a distributor. A notice must be sent to the distributor at least 30 15 days before the hearing and give notice of the time and place of the hearing, proposed suspension or revocation is to take effect. The notice must give the reason for the proposed suspension or revocation, and must require the distributor to show cause why the proposed*

action should not be taken. The notice may be served personally or by mail in the manner prescribed for service of notice of a deficiency.

(b) *The notice must inform the distributor of the right to a contested case hearing. If a request in writing is made to the commissioner of revenue within 14 days of the date of the notice, the commissioner shall defer action on the suspension or revocation and shall refer the case to the office of administrative hearings for the scheduling of a contested case hearing. The distributor must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the distributor.*

(c) *The commissioner of revenue shall issue a final order following receipt of the recommendation of the administrative law judge.*

(d) *Under section 271.06, subdivision 1, an appeal to the tax court may be taken from the commissioner's order of revocation or suspension. The commissioner of revenue may not issue a new permit after revocation except upon application accompanied by reasonable evidence of the intention of the applicant to comply with all applicable laws and rules.*

Sec. 39. Minnesota Statutes 1988, section 349.2122, is amended to read:

349.2122 [MANUFACTURERS; REPORTS TO THE COMMISSIONER OF REVENUE; PENALTY.]

A manufacturer ~~registered~~ *licensed* 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. *The commissioner of revenue may inspect the books, records, and inventory of a licensed manufacturer without notice during the normal business hours of the manufacturer.* Any person violating this section shall be guilty of a misdemeanor.

Sec. 40. Minnesota Statutes 1988, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) *all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents; 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);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter; and

(10) any gambling equipment kept in violation of section 349.18.

Sec. 41. Minnesota Statutes 1988, section 349.2125, subdivision 2, is amended to read:

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~~ director of gaming enforcement 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.

Sec. 42. Minnesota Statutes 1988, section 349.2125, subdivision 3, is amended to read:

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 of revenue or the ~~executive secretary of the charitable gambling control board~~ director of gaming enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 30 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the state by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4, the seizing authority shall release the property seized without further legal proceedings.

Sec. 43. Minnesota Statutes 1988, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) No person, other than a licensed distributor, shall sell, offer for sale, or have in possession with intent to sell or offer for sale, a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter.

(b) No person other than a licensed distributor or licensed or exempt organization under section 349.214 may possess gambling equipment except equipment put into play by a licensed or exempt organization.

(c) No person, firm, or organization may possess altered, modified, or counterfeit pull-tabs or tipboard tickets with intent to sell, redeem, or exchange them.

Sec. 44. Minnesota Statutes 1988, section 349.213, subdivision 2, is amended to read:

Subd. 2. [LOCAL APPROVAL.] Before issuing or renewing an organization license or bingo hall license, the board must notify the city council of the statutory or home rule city in which the organization's premises are or the bingo hall is located or, if the premises are or hall is located outside a city, by the county board of the county and the town board of the town where the premises are or hall is located. The board may require organizations to notify the appropriate local government at the time of application. This required notification is sufficient to constitute the notice required by this subdivision. If the city council or county board adopts a resolution disapproving the license and so informs the board within 60 days of receiving notice of the license application, the license may not be issued or renewed.

Sec. 45. Minnesota Statutes 1988, section 349.214, subdivision 2, is amended to read:

Subd. 2. [LAWFUL GAMBLING.] (a) Raffles may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections 349.11 to 349.14 and 349.151 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750.

(b) Lawful gambling may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections ~~349.14 to 349.14~~ and 349.151 to 349.16; 349.171 to 349.21; and 349.212 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization notifies the board in writing not less than ~~30~~ 60 days before each lawful gambling occasion of the date and location of the occasion, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit ~~30~~ 60 days before the lawful gambling occasion;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(c) If the organization fails to file a timely report as required by paragraph (b), clause (3) or (6), a \$250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this paragraph if a report is subsequently filed and the penalty paid.

(d) Merchandise prizes must be valued at their fair market value.

(e) *Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept all returns of unopened and undamaged deals returned under this paragraph.*

Sec. 46. Minnesota Statutes 1988, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] A person who in any manner violates sections 349.11 to ~~349.214~~ 349.23 to evade ~~the~~ a tax imposed by a provision of this chapter, or who aids and abets evasion of ~~the~~ a tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 47. Minnesota Statutes 1988, section 349.22, subdivision 3, is amended to read:

Subd. 3. [FELONY.] (a) A person violating section 349.2127, subdivision 1 or 3, is guilty of a felony.

(b) A person violating section 349.2127, ~~subdivisions 2 and subdivision 2 or 4~~, by possessing, receiving, or transporting more than ten pull-tab or tipboard deals ~~not stamped in accordance with this chapter~~ or games, or combination of games which exceed ten deals or games, is guilty of a felony.

Sec. 48. [CHARITABLE GAMBLING CONTROL BOARD.]

*The terms of all members serving on the charitable gambling control board on June 30, 1989, expire on that date. Notwithstanding Minnesota Statutes, section 349.151, subdivision 2, of the members of the charitable gambling control board appointed by the governor to serve terms beginning July 1, 1989, one is for a term expiring June 30, 1991, one is for a term expiring June 30, 1992, one is for a term expiring June 30, 1993, one is for a term expiring June 30, 1994, and one is for a term expiring June 30, 1995.*

Sec. 49. [INSTRUCTION TO REVISOR.]

*In the next edition of Minnesota Statutes, the revisor of statutes shall alphabetize the definitions in Minnesota Statutes, section 349.12.*

Sec. 50. [APPROPRIATION.]

Subdivision 1. [APPROPRIATION.] \$ . . . . . is appropriated from the general fund to the charitable gambling control board.

Subd. 2. [COMPLEMENT.] *The complement of the charitable gambling control board is . . . . .*

*Subd. 3. [TRANSFER OF EMPLOYEES.] All employees transferred from the charitable gambling control board to the commissioner of revenue by executive order issued prior to the effective date of this section are transferred to the charitable gambling control board.*

**Sec. 51. [REPEALER.]**

*Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.212, subdivisions 2 and 4; and 349.2121, subdivision 4, are repealed.*

**Sec. 52. [EFFECTIVE DATE.]**

*Sections 1 to 23, and 25 to 51 are effective July 1, 1989. Section 24 is effective retroactively to November 1, 1988, and applies to any rule adopted by the charitable gambling control board on or after November 1, 1988.*

**ARTICLE 3**

**MISCELLANEOUS**

Section 1. Minnesota Statutes 1988, 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;
- (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) member of the charitable gambling control board, or the director of the charitable gambling control board.*

Sec. 2. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;  
Commissioner of education;  
Commissioner of transportation;  
Commissioner of human services;  
Commissioner of revenue;  
Executive director, state board of investment;

\$50,000-\$67,500

Commissioner of administration;  
Commissioner of agriculture;  
Commissioner of commerce;  
Commissioner of corrections;  
Commissioner of jobs and training;  
Commissioner of employee relations;  
Commissioner of health;  
Commissioner of labor and industry;  
Commissioner of natural resources;  
Commissioner of public safety;  
Commissioner of trade and economic development;  
Chair, waste management board;  
Chief administrative law judge; office of administrative hearings;  
Commissioner, pollution control agency;

Commissioner, 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;

\$42,500-\$60,000

Commissioner of human rights;  
 Commissioner, department of public service;  
 Commissioner of veterans' affairs;  
 Commissioner, bureau of mediation services;  
 Commissioner, public utilities commission;  
 Member, transportation regulation board;  
 Ombudsman for corrections;  
 Ombudsman for mental health and retardation;  
*Member, charitable gambling control board.*

Sec. 3. Minnesota Statutes 1988, section 240.02, subdivision 1, is amended to read:

Subdivision 1. [COMMISSION CREATED.] A Minnesota racing commission is established with the powers and duties specified in ~~Laws 1983, this chapter 214.~~ The commission consists of nine members appointed by the governor with the advice and consent of the senate. Not more than five of the members may belong to the same political party. The governor shall designate the chair of the commission. ~~Of the members first appointed, three are for terms expiring June 30, 1985, three are for terms expiring June 30, 1987, and three are for terms expiring June 30, 1989. After the expiration of the initial term,~~ Appointments are for terms of six years. An appointment to fill a vacancy in an unexpired term is for the remainder of the term and is with the advice and consent of the senate. *The director of gaming enforcement shall serve as a nonvoting, ex officio member of the commission.*

Sec. 4. Minnesota Statutes 1988, section 240.06, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATION.] Before granting a class A license the commission shall conduct, or request the ~~bureau of criminal apprehension~~ *director of gaming enforcement* to conduct, a comprehensive background and financial investigation of the applicant and sources of financing. The

commission may charge an applicant an investigation fee to cover the cost of the investigation, and shall from this fee reimburse the ~~bureau~~ *director of gaming enforcement* for ~~its~~ *the director's* share of the cost of the investigation. The commission has access to all criminal history data compiled by the bureau of criminal apprehension and the *director of gaming enforcement* on class A licensees and applicants.

Sec. 5. Minnesota Statutes 1988, section 240.07, subdivision 2, is amended to read:

Subd. 2. [HEARINGS; INVESTIGATIONS.] Before granting an initial class B license the commission shall hold at least one public hearing on the license. Comprehensive investigations must be conducted and their costs paid in the manner prescribed by section 240.06, subdivision 3. The commission has access to all criminal history data compiled by the bureau of criminal apprehension and the *director of gaming enforcement* on class B licensees and applicants.

Sec. 6. Minnesota Statutes 1988, section 240.08, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIONS.] The commission shall investigate each applicant for a class C license to the extent it deems necessary, and may request the assistance of and may reimburse the ~~bureau of criminal apprehension~~ *director of gaming enforcement* in investigating applicants. The commission may by rule require that an applicant be fingerprinted or furnish the applicant's fingerprints. *Fingerprints taken or furnished under this subdivision may be forwarded to the Federal Bureau of Investigation for the conducting of a national criminal history check.* Investigations must be conducted and their costs paid in the manner prescribed by section 240.06, subdivision 3. The commission may cooperate with national and international organizations and agencies in conducting investigations. The commission may by rule provide for examining the qualifications of an applicant for the license being applied for. The commission has access to all criminal history data compiled by the bureau of criminal apprehension and the *director of gaming enforcement* on class C applicants and licensees.

Sec. 7. Minnesota Statutes 1988, section 240.21, is amended to read:

240.21 [RIGHT OF INSPECTION.]

The commission, *the director of gaming enforcement*, and ~~its~~ *their* representatives have the right to inspect the licensed premises of a licensee and to examine the licensee's books and other records at any time without a search warrant.

Sec. 8. [EFFECTIVE DATE.]

*Sections 1 to 7 are effective July 1, 1989."*

Delete the title and insert:

"A bill for an act relating to gambling; creating a division of gaming enforcement; providing for its powers and duties; changing size and membership of charitable gambling control board; making changes in the manner in which charitable gambling is conducted; requiring audits; changing the requirement relating to distributors and manufacturers of gambling equipment; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 240.02, subdivision 1; 240.06, subdivision 3; 240.07, subdivision 2; 240.08, subdivision 3; 240.21;

349.11; 349.12, subdivisions 3, 11, 12, 13, 15, 17, 20, and by adding subdivisions; 349.15; 349.151; 349.16, subdivision 4; 349.161; 349.162; 349.163; 349.164; 349.17, subdivision 2a; 349.18, subdivision 1, and by adding a subdivision; 349.19, subdivisions 2, 3, 6, and by adding subdivisions; 349.20; 349.21; 349.212, subdivision 1, and by adding subdivisions; 349.2121, subdivisions 2 and 3; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 2; 349.214, subdivision 2; and 349.22, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 349; proposing coding for new law as Minnesota Statutes, chapter 299K; repealing Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.212, subdivisions 2 and 4; and 349.2121, subdivision 4."

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 re-referred

S.F. No. 316: A bill for an act relating to children; controlled substances; requiring reporting of newborns with signs of controlled substance exposure; limiting liability of medical personnel administering toxicology tests on newborns; amending Minnesota Statutes 1988, section 626.556, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626.

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

## SECOND READ OF SENATE BILLS

S.F. Nos. 468, 38, 701, 916, 332, 280, 271 and 94 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. No. 512 was read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Metzen moved that the names of Messrs. Vickerman, Lessard and Beckman be added as co-authors to S.F. No. 128. The motion prevailed.

Mr. Berg moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 281. The motion prevailed.

Mr. Moe, D.M. moved that the name of Mr. Knutson be added as a co-author to S.F. No. 331. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Lessard be added as a co-author to S.F. No. 332. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Marty be added as a co-author to S.F. No. 526. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 553. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Langseth be added as a co-author to S.F. No. 831. The motion prevailed.

Mr. Brandl moved that the names of Ms. Piper and Mr. Benson be added as co-authors to S.F. No. 946. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Brandl be added as a co-author to S.F. No. 959. The motion prevailed.

Mr. Pehler moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 986. The motion prevailed.

Mr. Merriam moved that the name of Mr. Luther be added as a co-author to S.F. No. 1001. The motion prevailed.

Mr. Chmielewski moved that the names of Mrs. Lantry and Mr. Samuelson be added as co-authors to S.F. No. 1019. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1026. The motion prevailed.

Mr. Pehler moved that S.F. No. 1020 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Education. The motion prevailed.

Messrs. Schmitz and Purfeerst introduced—

Senate Resolution No. 68: A Senate resolution congratulating Gordie Schmitz, of New Prague, for winning the State High School Class AA 171-pound Wrestling Championship.

Referred to the Committee on Rules and Administration.

Mr. Vickerman introduced—

Senate Resolution No. 69: A Senate resolution congratulating the Storden-Jeffers High School Girls Basketball Team for winning the 1989 Class A State High School Girls Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Belanger introduced—

Senate Resolution No. 70: A Senate resolution congratulating the Bloomington Jefferson Jaguars Hockey Team for winning the 1989 State High School Hockey Championship.

Referred to the Committee on Rules and Administration.

Messrs. Dahl and Merriam introduced—

Senate Resolution No. 71: A Senate resolution congratulating Blaine High School on receiving a three-star performance rating for its one-act play, "Eleemosynary," at the State Class AA One-Act Play Festival.

Referred to the Committee on Rules and Administration.

Messrs. Luther and Merriam introduced—

Senate Resolution No. 72: A Senate resolution congratulating the Osseo High School Girls Basketball Team for winning the 1989 Class AA State High School Girls Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.J. moved that S.F. No. 38, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Marty moved that S.F. No. 94, on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Stumpf moved that S.F. No. 956 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mrs. Lantry moved that S.F. No. 351, on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 230, on General Orders, be stricken and returned to its author. 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. 156: Mrs. Lantry, Messrs. Peterson, R.W. and Knaak.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### CALENDAR

H.F. No. 148: A bill for an act relating to local government; permitting the counties of Washington and Anoka to establish certain payment procedures.

Was read the third time 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	Decker	Laidig	Metzen	Ramstad
Anderson	Dicklich	Langseth	Moc, R.D.	Reichgott
Beckman	Diessner	Lantry	Morse	Renneke
Berg	Frank	Larson	Novak	Schmitz
Bernhagen	Frederickson, D.R.	Lessard	Olson	Spear
Bertram	Freeman	Luther	Pariseau	Storm
Brataas	Gustafson	Marty	Pehler	Stumpf
Chmielewski	Hughes	McGowan	Peterson, D.C.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	
Davis	Knaak	Merriam	Purfeerst	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

S.F. No. 671: A bill for an act relating to the commission on uniform state laws; providing for its composition; amending Minnesota Statutes 1988, section 3.251.

Was read the third time 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	Dahl	Johnson, D.J.	Merriam	Pogemiller
Anderson	Davis	Knaak	Metzen	Purfeerst
Beckman	Decker	Laidig	Moe, D.M.	Ramstad
Benson	Dicklich	Langseth	Moe, R.D.	Reichgott
Berg	Diessner	Lantry	Morse	Renneke
Berglin	Frank	Larson	Novak	Schmitz
Bernhagen	Frederickson, D.J.	Lessard	Olson	Spear
Bertram	Frederickson, D.R.	Luther	Pariseau	Storm
Brandl	Freeman	Marty	Pehler	Stumpf
Brataas	Gustafson	McGowan	Peterson, D.C.	Taylor
Chmielewski	Hughes	McQuaid	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Piper	Waldorf

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. 104 and H.F. No. 27, which the committee recommends to pass.

S.F. No. 382, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1988, section 343.20, is amended by adding a subdivision to read:

*Subd. 5. [ANIMAL CONTROL OFFICER.] “Animal control officer” means an officer employed by or under contract with an agency of the state, county, municipality, or other governmental subdivision of the state which is responsible for animal control operations in its jurisdiction.*

Sec. 2. Minnesota Statutes 1988, section 343.29, subdivision 1, is amended to read:

Subdivision 1. [DELIVERY TO SHELTER.] Any peace officer, *animal control officer*, or ~~any~~ agent of the federation or county or district societies for the prevention of cruelty, may remove, shelter, and care for any animal which is not properly sheltered from cold, hot, or inclement weather or any animal not properly fed and watered, or provided with suitable food and drink. When necessary, a peace officer, *animal control officer*, or agent may deliver the animal to another person to be sheltered and cared for, and furnished with suitable food and drink. In all cases, the owner, if known, shall be immediately notified, and the person having possession of the animal, shall have a lien thereon for its care and keeping, the reasonable

value of the food and drink furnished, and the expenses of the notice. If the owner or custodian is unknown and cannot by reasonable effort be ascertained, or does not, within five days after notice, redeem the animal by paying the expenses authorized by this subdivision, the animal may be treated as an estray.”

Page 5, line 3, delete “10” and insert “12”

Page 5, line 4, delete “11” and insert “13”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert “granting certain powers to animal control officers;”

Page 1, line 5, after “sections” insert “343.20, by adding a subdivision; 343.29, subdivision 1;”

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.

Mr. Knaak introduced—

S.F. No. 1033: A bill for an act relating to motor vehicles; prohibiting county auditors from collecting any part of filing fee paid to public deputy registrars the county auditor appoints; amending Minnesota Statutes 1988, section 168.33, subdivision 7.

Referred to the Committee on Transportation.

Mr. Laidig, Mses. Reichgott, Berglin and Mr. Stumpf introduced—

S.F. No. 1034: A bill for an act relating to probate; changing procedure for notice to certain creditors; changing certain time limits; amending Minnesota Statutes 1988, sections 524.3-801; 524.3-802; 524.3-803; and 524.3-807.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 1035: A bill for an act relating to probate; exempting certain claims from statutes of limitation; amending Minnesota Statutes 1988, sections 256B.15; and 524.3-803.

Referred to the Committee on Judiciary.

Messrs. Freeman, Pogemiller and Mrs. Lantry introduced—

S.F. No. 1036: A bill for an act relating to dislocated workers; providing procedures to assist workers affected by employer closings; appropriating money; amending Minnesota Statutes 1988, section 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268.



Referred to the Committee on Employment.

Mrs. Lantry, Messrs. Diessner; Johnson, D.E. and McGowan introduced—

S.F. No. 1037: A bill for an act relating to animals; regulating using animals for certain purposes; providing a penalty; amending Minnesota Statutes 1988, sections 343.33; and 343.34.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Cohen introduced—

S.F. No. 1038: A bill for an act relating to retirement; public employees retirement association; authorizing the purchase of service credit by certain city of St. Paul employees.

Referred to the Committee on Governmental Operations.

Messrs. Merriam and Dahl introduced—

S.F. No. 1039: A bill for an act relating to charitable gambling; permitting organizations to treat legal expenses as an allowable expense; amending Minnesota Statutes 1988, section 349.15.

Referred to the Committee on General Legislation and Public Gaming.

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

S.F. No. 1040: A bill for an act relating to mechanics' liens; clarifying and simplifying the contractors' and subcontractors' notice; amending Minnesota Statutes 1988, section 514.011, subdivisions 1 and 2.

Referred to the Committee on Judiciary.

Messrs. Larson; Berg; Moe, R.D.; Langseth and Anderson introduced—

S.F. No. 1041: A bill for an act relating to economic development; authorizing certain local jurisdictions to contribute to local or regional economic development organizations; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Economic Development and Housing.

Mr. Vickerman introduced—

S.F. No. 1042: A bill for an act relating to the environment; requiring the use of soy-based ink for some printing operations; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Agriculture and Rural Development.

Mr. Moe, R.D. introduced—

S.F. No. 1043: A bill for an act relating to natural resources; authorizing a grant to the Red Lake watershed district, Clearwater county, to construct an improved and enlarged lake on Walker Brook; authorizing the sale of state bonds; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Luther introduced—

S.F. No. 1044: A bill for an act relating to insurance; requiring obligors to issue an insurance identification card; requiring a driver or owner to produce an insurance identification card, policy, or written statement; providing for administrative review; exempting certain vehicles; providing for the impoundment of registration plates; providing for a limited license in certain circumstances; defining terms; providing penalties; amending Minnesota Statutes 1988, sections 65B.67, subdivisions 2 and 4; 168.041, subdivisions 4, 4a, and by adding a subdivision; 169.09, subdivision 14; 171.29, subdivision 1; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.481.

Referred to the Committee on Transportation.

Mr. Moe, D.M. introduced—

S.F. No. 1045: A bill for an act relating to the organization and operation of state government; department of employee relations; establishing a public pension plan bureau within the department; requiring continuing monitoring and oversight of public pension plans by the bureau; amending Minnesota Statutes 1988, sections 43A.01, subdivision 1; 43A.02, subdivision 1, and by adding subdivisions; 43A.03, subdivisions 2, 3, and 4; 43A.04, subdivisions 1, 3, and 7; 43A.17, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 43A; repealing Laws 1987, chapter 186, section 11.

Referred to the Committee on Governmental Operations.

Mr. Ramstad and Ms. Reichgott introduced—

S.F. No. 1046: 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 1988, sections 609.322, by adding subdivisions; and 609.323, by adding subdivisions.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.J.; Vickerman; Langseth; Davis and Beckman introduced—

S.F. No. 1047: A resolution memorializing the President and the Congress of the United States to raise the Commodity Credit Corporation loan rate to target price levels to achieve the needed Agriculture budget reductions.

Referred to the Committee on Agriculture and Rural Development.

Mr. Moe, D.M. introduced—

S.F. No. 1048: A bill for an act relating to retirement; local police and salaried firefighters' relief association amortization state aid; providing for a phase-out of the aid program; amending Minnesota Statutes 1988, section 423A.02; repealing Minnesota Statutes 1988, section 423A.02, as amended; and Laws 1984, chapter 564, section 48, as amended.

Referred to the Committee on Governmental Operations.

Mr. DeCramer, Mrs. McQuaid, Messrs. Davis and Samuelson introduced—

S.F. No. 1049: A bill for an act relating to animals; requiring landlords to allow elderly tenants to keep certain pets; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

Messrs. Mehrkens, Vickerman, Ms. Piper, Mrs. Lantry and Mr. Anderson introduced—

S.F. No. 1050: A bill for an act relating to children; termination of parental rights; allowing grandparents to participate in proceedings in certain circumstances; amending Minnesota Statutes 1988, section 260.231, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Novak; Langseth; Stumpf; Johnson, D.J. and Johnson, D.E. introduced—

S.F. No. 1051: A resolution memorializing the Congress of the United States to reject pending legislation that would authorize the use of Minnesota waters for the transportation of coal and would grant the right of eminent domain of coal slurry pipelines.

Referred to the Committee on Transportation.

Ms. Berglin, Mr. Spear, Ms. Piper, Mrs. Lantry and Mr. Knutson introduced—

S.F. No. 1052: A bill for an act relating to human services; creating a temporary licensure exemption for supportive living arrangements for persons who have mental retardation or chemical dependency or who are frail elderly, or have other functional impairments; requiring the commissioner to adopt licensing rules; amending Minnesota Statutes 1988, section 245A.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1053: A bill for an act relating to human services; providing for eligibility changes in the children's health plan program; clarifying eligibility under the medical assistance program for pregnant women, infants, and children; authorizing the adoption of rules; amending Minnesota Statutes 1988, section 256.936, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Messrs. Diessner, Frank, Ms. Piper, Messrs. Kroening and Gustafson introduced—

S.F. No. 1054: A bill for an act relating to employment; requiring employers to give copies of certain medical reports to employees; proposing coding

for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

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

S.F. No. 1055: A bill for an act relating to children; creating a statewide grant program to provide neighborhood-based support to enhance the health, development, and school readiness of preschool children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Ms. Olson, Messrs. Benson, Larson, Mehrkens and Knaak introduced—

S.F. No. 1056: A bill for an act relating to education; increasing the formula allowance; providing an incentive for class size reductions and program improvements; encouraging an emphasis on the teaching of English, math, social studies, and science; providing additional funds for districts offering a comprehensive curriculum; requiring statewide assessment for grades six and ten; lengthening time-on-task; restoring a categorical aid for gifted and talented programs; adjusting the minimum allowance for school districts; appropriating money; amending Minnesota Statutes 1988, sections 120.101, subdivisions 5, 6, and by adding a subdivision; 124.17, subdivision 1; 124.19, subdivision 1, and by adding a subdivision; 124A.22, subdivisions 2 and 9; proposing code for new law in Minnesota Statutes, chapters 124 and 124A.

Referred to the Committee on Education.

Messrs. Cohen; Merriam; Moe, R.D.; Johnson, D.J. and Benson introduced—

S.F. No. 1057: A bill for an act relating to state government; creating a legislative budget office; providing for its duties; providing for a director of the legislative budget office and the manner of the director's appointment and service; eliminating the department of finance and transferring its powers and duties to the department of revenue; amending Minnesota Statutes 1988, sections 3.30, subdivision 1; 3.303, subdivision 2; 3.98, subdivisions 1 and 4; 3.982; 15.06, subdivision 1; 270.66, subdivision 1; 282.09, subdivision 1; and 293.06; proposing coding for new law in Minnesota Statutes, chapter 270A; proposing coding for new law as Minnesota Statutes, chapters 3D and 272A; repealing Minnesota Statutes 1988, sections 3.30, subdivision 2; 16A.01; 16A.1281; and 16A.45.

Referred to the Committee on Governmental Operations.

Mses. Peterson, D.C.; Berglin; Mr. Waldorf, Mrs. Lantry and Mr. Knutson introduced—

S.F. No. 1058: A bill for an act relating to health; clarifying requirements for licensing consulting psychologists and psychological associates; describing duties of the board of psychology; establishing requirements for the independent practice of psychology; amending Minnesota Statutes 1988, sections 148.88; 148.89; 148.90; 148.91; 148.93; 148.95; 148.96; 148.97;

148.975, subdivisions 1 and 5; 148.976, subdivision 1; and 148.98; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1988, sections 148.92 and 148.97, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Decker, Frank and Storm introduced—

S.F. No. 1059: A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1988, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Marty and Dicklich introduced—

S.F. No. 1060: A bill for an act relating to utilities; providing for assessment of costs related to certain certificate of need applications; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

Mr. Solon, Ms. Berglin, Messrs. Brandl, Chmielewski and Benson introduced—

S.F. No. 1061: A bill for an act relating to human services; requiring joint, uniform rules for services for persons with a disability; funding work activity and community-based employment services at a level equal to day training and habilitation services; appropriating money; amending Minnesota Statutes 1988, sections 129A.03; 129A.08, subdivision 5; and 252.43; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Messrs. Metzen, Solon, Purfeerst and Frederick introduced—

S.F. No. 1062: A bill for an act relating to financial institutions; regulating check settlements; amending Minnesota Statutes 1988, section 48.158.

Referred to the Committee on Commerce.

Mr. Frederickson, D.J. introduced—

S.F. No. 1063: A bill for an act relating to veterans; providing for establishment of a veterans home in Montevideo; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Mr. Frederickson, D.J. introduced—

S.F. No. 1064: A bill for an act relating to veterans; providing for establishment of a veterans home in Granite Falls; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Mr. Frank introduced—

S.F. No. 1065: A bill for an act relating to human services; transferring responsibility for the post-secondary educational institution set-aside to department of education; eliminating set-asides for AFDC priority groups and AFDC post-secondary students; requiring the commissioner to transfer funds from the AFDC set-asides to the basic sliding fee program; mandating child care funding for certain groups; including child care funds planning in the community social services planning process; appropriating money; amending Minnesota Statutes 1988, sections 256E.03, subdivision 2; 256E.09, subdivision 3; 256H.01, subdivision 4; 256H.02; 256H.03, subdivisions 1 and 2; 256H.04; 256H.07; 256H.08; 256H.09, subdivisions 1 and 3; 256H.10, subdivisions 1 and 3; 256H.11, subdivision 2; 256H.12, subdivision 1; 256H.17; and 256H.18; repealing Minnesota Statutes 1988, sections 256H.01, subdivision 14; 256H.04, subdivision 2; 256H.05; 256H.06; and 256H.13.

Referred to the Committee on Health and Human Services.

Mr. Solon, Mrs. McQuaid and Mr. Luther introduced—

S.F. No. 1066: A bill for an act relating to commerce; uniform commercial code; providing a 20-day notice period for certain fixture filings; amending Minnesota Statutes 1988, section 336.9-313.

Referred to the Committee on Commerce.

Mr. Luther introduced—

S.F. No. 1067: A bill for an act relating to metropolitan government; regulating budgets; amending Minnesota Statutes 1988, section 473.1623, subdivision 4, and by adding subdivisions.

Referred to the Committee on Local and Urban Government.

Mr. Johnson, D.J. introduced—

S.F. No. 1068: A bill for an act relating to Cook county; authorizing the county to appropriate money for county hospitals.

Referred to the Committee on Local and Urban Government.

Mr. Johnson, D.J. introduced—

S.F. No. 1069: A bill for an act relating to Cook county; permitting establishment of a county hospital district; authorizing the district's levy.

Referred to the Committee on Local and Urban Government.

Mr. Peterson, R.W. introduced—

S.F. No. 1070: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Chisago county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Schmitz, Frederick, Dahl, Purfeerst and Anderson introduced—

S.F. No. 1071: A bill for an act relating to trade practices; providing for payment to farm implement retailer by the manufacturer, wholesaler, or

distributor who repurchases stock and inventory; amending Minnesota Statutes 1988, section 325E.06, subdivisions 1, 4, and 5.

Referred to the Committee on Commerce.

Mr. DeCramer, by request, introduced—

S.F. No. 1072: A bill for an act relating to education; requesting the University of Minnesota board of regents to restructure governance of the university.

Referred to the Committee on Education.

Mr. Beckman introduced—

S.F. No. 1073: A bill for an act relating to taxation; sales and use; repealing accelerated payment of June liability; amending Minnesota Statutes 1988, section 297A.27, subdivision 1; repealing Minnesota Statutes 1988, section 297A.275.

Referred to the Committee on Taxes and Tax Laws.

Mr. Hughes, Ms. Peterson, D.C.; Messrs. Morse; Moe, R.D. and Mrs. McQuaid introduced—

S.F. No. 1074: A bill for an act relating to elections; making various changes in laws applicable to school district elections; amending Minnesota Statutes 1988, sections 201.071, subdivision 3; 203B.08, subdivision 3; 204B.08, subdivision 3; 204B.14, subdivision 5; 204B.17; 204B.44; 204C.22, subdivisions 9, 10, 15, and by adding a subdivision; 204D.04, subdivision 2; 205A.05, subdivision 1; 205A.07, by adding a subdivision; 205A.09, subdivision 2; 205A.10, subdivisions 2 and 3; 205A.11; 205A.12, subdivision 2; 209.02, subdivision 1; 209.021, subdivision 1; 209.03; 209.09, subdivision 1; and 211A.01, subdivision 6.

Referred to the Committee on Elections and Ethics.

Messrs. Beckman; Vickerman; Peterson, R.W. and Ms. Berglin introduced—

S.F. No. 1075: A bill for an act relating to education; allowing school districts to be considered providers under the state medical assistance plan; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Freeman, Metzen, Samuelson, Purfeerst and Taylor introduced—

S.F. No. 1076: A bill for an act relating to commerce; regulating real estate appraisers; creating the real estate appraiser advisory board; providing for membership, compensation, powers, and duties; providing licensing and education requirements; regulating the issuance, renewal, suspension, and revocation of licenses; providing fees; prescribing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 82B.

Referred to the Committee on Commerce.

Mr. Knaak introduced—

S.F. No. 1077: A bill for an act relating to taxation; allowing a special levy to city of White Bear Lake for certain reserve funds; amending Minnesota Statutes 1988, sections 275.50, subdivision 5, and by adding a subdivision; and 471.572, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Adkins, Messrs. Knaak, Benson, Laidig and Johnson, D.J. introduced—

S.F. No. 1078: A bill for an act relating to local government aid; including certain towns with cities for purposes of the distribution formula; amending Minnesota Statutes 1988, section 477A.011, subdivision 1a.

Referred to the Committee on Taxes and Tax Laws.

Mr. Marty, Mrs. Lantry and Mr. Cohen introduced—

S.F. No. 1079: A bill for an act relating to Ramsey county; increasing the size of the personnel board; permitting the personnel director to issue certain subpoenas; amending Minnesota Statutes 1988, sections 383A.287, subdivision 2; and 383A.294, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Pehler introduced—

S.F. No. 1080: A bill for an act relating to state lands; conveying title to state land in St. Cloud.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 1081: A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; establishing a panel to investigate racism by judges and evaluate mechanisms for criticizing judges; appropriating money.

Referred to the Committee on Judiciary.

Mr. Brandl introduced—

S.F. No. 1082: A bill for an act relating to administrative procedure; clarifying the applicability of the requirement that agencies consider the impact of proposed rules on small business; amending Minnesota Statutes 1988, section 14.115, subdivision 7.

Referred to the Committee on Governmental Operations.

Mr. Brandl introduced—

S.F. No. 1083: A bill for an act relating to the environment; providing an exemption process from the power plant siting requirements for certain generating plants; amending Minnesota Statutes 1988, section 116C.57, by adding a subdivision.



Referred to the Committee on Environment and Natural Resources.

Mrs. Lantry introduced—

S.F. No. 1084: A bill for an act relating to motor vehicles; defining terms: including station wagon and certain passenger-carrying vans as passenger automobiles for all purposes; providing for registration of certain vehicles; amending Minnesota Statutes 1988, sections 65B.001, subdivision 3; 65B.43, subdivision 12; 116.60, subdivision 7; 168.011, subdivisions 7, 28, and 35; 168.012, subdivision 1; 168.017, subdivision 1; 168.12, subdivisions 2b and 2c; 168.124, subdivision 5; 168.125, subdivision 1; and 168.126, subdivision 2; repealing Minnesota Statutes 1988, sections 168.011, subdivision 23; and 168.101, subdivision 5.

Referred to the Committee on Transportation.

Mr. Berg and Ms. Piper introduced—

S.F. No. 1085: A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97C.605, subdivision 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

Referred to the Committee on Environment and Natural Resources.

Mr. Taylor introduced—

S.F. No. 1086: A bill for an act relating to government data practices; defining final disposition of disciplinary action for purposes of access to personnel records; modifying standards for distribution of not public data at public meetings; amending Minnesota Statutes 1988, sections 13.43, subdivision 2; and 471.705, subdivision 1b.

Referred to the Committee on Judiciary.

Mr. Kroening and Ms. Berglin introduced—

S.F. No. 1087: A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 566.

Referred to the Committee on Economic Development and Housing.

Mr. Dahl introduced—

S.F. No. 1088: A bill for an act relating to metropolitan government; extending the responsibility of the mosquito control district to disease vectoring ticks; amending Minnesota Statutes 1988, sections 473.702; 473.704; and 473.711, subdivision 2.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 1089: A bill for an act relating to the cities of Minneapolis and Saint Paul; authorizing housing and rehabilitation loan and grant programs; providing for the issuance of bonds; amending Laws 1974, chapter 285.

Referred to the Committee on Economic Development and Housing.

Messrs. Luther, Metzen and Freeman introduced—

S.F. No. 1090: A bill for an act relating to insurance; regulating cancellations of insurance agency contracts; amending Minnesota Statutes 1988, section 60A.172.

Referred to the Committee on Commerce.

Mr. Pogemiller introduced—

S.F. No. 1091: A bill for an act relating to retirement; providing partial postretirement adjustments for certain retired public employees; amending Minnesota Statutes 1988, section 11A.18, subdivisions 9 and 10.

Referred to the Committee on Governmental Operations.

Messrs. Benson, Anderson, Decker, Bernhagen and Solon introduced—

S.F. No. 1092: 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.

Mrs. Brataas, Messrs. Morse; Moe, R.D.; Dahl and Benson introduced—

S.F. No. 1093: A bill for an act relating to education; providing for capital expenses at Rochester community college; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Mrs. Brataas, Messrs. Morse; Moe, R.D.; Dahl and Benson introduced—

S.F. No. 1094: A bill for an act relating to education; appropriating money to plan construction at Rochester community college.

Referred to the Committee on Finance.

Ms. Peterson, D.C. introduced—

S.F. No. 1095: A bill for an act relating to education; requiring school boards, public post-secondary boards and institutions, the commissioner of human rights, and the high school league to perform certain duties relating to sexual harassment and sexual violence; appropriating money; amending Minnesota Statutes 1988, sections 121.882, subdivision 2; 124A.27, by adding a subdivision; and 129.121, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 127;

135A; and 363.

Referred to the Committee on Education.

Mr. Hughes introduced—

S.F. No. 1096: A bill for an act relating to retirement; excluding Roseville firefighters from membership in the public employees police and fire fund.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1097: A bill for an act relating to health; defining the practice of traditional midwifery; providing for parental rights and informed consent disclosure statement; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1988, sections 148.30; 148.31; and 148.32.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 1098: A bill for an act relating to the environment; authorizing participation in the Great Lakes Protection Fund; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Messrs. Merriam; Stumpf; Diessner; Frederickson, D.R. and Lessard introduced—

S.F. No. 1099: A bill for an act relating to public safety; proposing the emergency planning and community right-to-know act; requiring reports on hazardous substances and chemicals; creating an emergency response commission; providing penalties; amending Minnesota Statutes 1988, section 609.671, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on Health and Human Services.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

## MOTIONS AND RESOLUTIONS

Messrs. Bernhagen and Bertram introduced—

Senate Resolution No. 73: A Senate resolution congratulating the Eden Valley-Watkins High School Girls Basketball Team for winning Second Place in the 1989 Class A State High School Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 5: 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 Monday, March 20, 1989, the House of Representatives may set its next day of meeting by motion.

2. Upon its adjournment on Wednesday, March 22, 1989, the Senate may set its next day of meeting by motion.

3. Each house consents to the adjournment of the other house for more than three days.

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

Mr. Luther moved that the name of Mr. McGowan be added as second co-author to Senate Resolution No. 72. The motion prevailed.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 20, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-THIRD DAY

St. Paul, Minnesota, Monday, March 20, 1989

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

Prayer was offered by the Chaplain, Sister Frances Nosbisch.

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

Adkins	Davis	Knaak	Moe, D.M.	Renneke
Anderson	Decker	Knutson	Moe, R. D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Belanger	Dicklich	Laidig	Novak	Solon
Benson	Diessner	Langseth	Olson	Spear
Berg	Frank	Lantry	Pariseau	Storm
Berglin	Frederick	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	Gustafson	McGowan	Pogemiller	
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.

### MEMBERS EXCUSED

Mr. Metzen was excused from the Session of today. Mr. Frederickson, D.J. was excused from the Session of today from 2:00 to 2:15 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 14, 1989

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:

James Nardone, 2606 Audrey Ln., Grand Rapids, Itasca County, has been

appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Leonard Nadasdy, 5515 Lake Sarah Hts. Dr., Loretto, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Bunny (Isabelle) Robinson, 6921 Olson Memorial Hwy., Golden Valley, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

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

March 9, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Gena Doyscher, 5801 - 216th St. N., Forest Lake, Washington County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

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

Sincerely,  
Rudy Perpich, Governor

March 17, 1989

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. 644.

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, herewith returned: S.F. No. 644.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 16, 1989

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. 121: A bill for an act relating to towns; authorizing town boards to provide for the collection of unpaid service charges; proposing coding for new law in Minnesota Statutes, chapter 366.

Senate File No. 121 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 16, 1989

### CONCURRENCE AND REPASSAGE

Mrs. Adkins moved that the Senate concur in the amendments by the House to S.F. No. 121 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 121 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	Decker	Knaak	Mehrkens	Pogemiller
Anderson	DeCramer	Knutson	Merriam	Purfeerst
Beckman	Dicklich	Kroening	Moe, D.M.	Ramstad
Belanger	Diessner	Laidig	Moe, R.D.	Reichgott
Benson	Frank	Langseth	Morse	Samuelson
Berg	Frederickson, D.R.	Lantry	Olson	Schmitz
Berglin	Freeman	Larson	Pariseau	Spear
Bernhagen	Gustafson	Lessard	Pehler	Storm
Bertram	Hughes	Luther	Peterson, D.C.	Taylor
Brandl	Johnson, D.E.	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.J.	McQuaid	Piper	Waldorf

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 adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 5: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 16, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 29:

H.F. No. 29: A bill for an act relating to examiners of title: increasing

number of deputy examiners of title in second and fourth judicial districts; amending Minnesota Statutes 1988, section 508.12, subdivision 3.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Rest, Kelly and Seaberg have been appointed as such committee on the part of the House.

House File No. 29 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 16, 1989

Ms. Reichgott moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 29, 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. 76, 101, 897, 135, 331, 461 and 702.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 16, 1989

### **FIRST READING OF HOUSE BILLS**

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

H.F. No. 76: A bill for an act relating to juveniles; prohibiting the detention of juveniles in jails or lockups for longer than 24 hours before a detention hearing is held; prohibiting the detention of juveniles in jails or lockups after August 1, 1991, for longer than 24 hours unless a reference motion has been filed; amending Minnesota Statutes 1988, sections 260.171, subdivisions 2 and 4; and 260.172, subdivisions 1 and 2.

Referred to the Committee on Judiciary.

H.F. No. 101: A bill for an act relating to education; requiring the student member of the board of regents to be a student at the time of election; amending Minnesota Statutes 1988, section 137.023.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 27.

H.F. No. 897: A bill for an act relating to local government; clarifying certain procedures for adoption of town optional plans of government; amending Minnesota Statutes 1988, sections 367.31, subdivisions 1, 2, 3, and 5; and 367.33, subdivisions 1 and 5.

Referred to the Committee on Elections and Ethics.



H.F. No. 135: A bill for an act relating to juvenile court; limiting the court's authority to transfer legal custody of a child for the purpose of obtaining special treatment or care; clarifying the grounds for terminating parental rights to a child; clarifying the liability of persons who provide outreach services to runaways; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.191, subdivision 1; 260.221, subdivisions 1 and 3; and 260.315.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 220.

H.F. No. 331: A bill for an act relating to employment; limiting the employment hours of certain minors during the school year; amending Minnesota Statutes 1988, sections 181A.04, by adding a subdivision; and 181A.12, subdivision 1.

Referred to the Committee on Employment.

H.F. No. 461: A bill for an act relating to crime victims; modifying the limitations provision governing damage actions brought by sexual assault victims; requiring that victims of crimes against the person be informed of the conditions governing the convicted offender's release from confinement and the identity of the corrections agent supervising the offender; requiring that sexual assault victims be notified when the alleged sex offender is released from pretrial detention; amending Minnesota Statutes 1988, sections 541.07; 611A.03, subdivision 1; and 611A.06; proposing coding for new law in Minnesota Statutes, chapters 541 and 629.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 315, now on General Orders.

H.F. No. 702: A bill for an act relating to crime; expanding the crime of failure to appear for a criminal court appearance; specifying the attorney with jurisdiction to prosecute the crime; prescribing penalties; amending Minnesota Statutes 1988, section 609.49.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 675, 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 reports pertaining to appointments. The motion prevailed.

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

S.F. No. 676: A bill for an act relating to agriculture; changing voting rights in certain cooperative associations; amending Minnesota Statutes 1988, section 308.07, subdivision 4.

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

Page 1, after line 19, insert:

"Sec. 2. If S.F. No. 848 is enacted in the 1989 legislative session, Minnesota Statutes, section 308.07, subdivision 4, as amended by section 1 of this act, is repealed and S.F. No. 848, article 1, section 35, is amended

to read:

Sec. 35. [308A.641] [VOTE OF COOPERATIVE CONSTITUTED OF OTHER COOPERATIVES.]

A cooperative that is constituted entirely or partially of other cooperatives or associations may authorize by the articles or the bylaws for affiliated cooperative members to have an additional vote for:

(1) a stipulated amount of business transacted between the member cooperative and the cooperative central organization or:

(2) a stipulated number of members in the member cooperative:

(3) a certain stipulated amount of equity allocated to or held by the member cooperative in the cooperative's central organization; or

(4) a combination of methods in clauses (1) to (3). [308.07 s. 4]"

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. 264: A bill for an act relating to health; requiring that health care providers timely furnish patient health records and reports; amending Minnesota Statutes 1988, section 144.335, subdivisions 2 and 3.

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

Page 1, line 15, delete ", within a reasonable time," and insert "promptly"

Page 2, line 22, delete ", within a reasonable time," and insert "promptly"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 331: A bill for an act relating to notaries public; eliminating the requirement that notaries be bonded; amending Minnesota Statutes 1988, sections 359.02 and 359.071.

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

Page 2, line 9, strike "was" and insert "were"

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. 391: A bill for an act relating to civil actions; excluding certain structures from the limitation period provided by the uniform commercial code; amending Minnesota Statutes 1988, section 336.2-725.

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

Page 2, line 8, delete "grain storage"

Page 2, line 9, after the period, insert "Improvement to real property"

*includes a commercial grain storage bin."*

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. 621: A bill for an act relating to courts; declaring that money or assets in court-supervised settlement accounts are not available to a minor child or the child's parent or guardian, until released by the court, for purposes of determining eligibility for human services programs; amending Minnesota Statutes 1988, section 540.08.

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 1988, section 540.08, is amended to read:

540.08 [INJURY TO CHILD OR WARD; SUIT BY PARENT OR GUARDIAN.]

A parent may maintain an action for the injury of a minor son or daughter. A general guardian may maintain an action for an injury to the ward. A guardian of a dependent, neglected, or delinquent child, appointed by a court having jurisdiction, may maintain an action for the injury of the child. If no action is brought by the father or mother, an action for the injury may be brought by a guardian ad litem, either before or after the death of the parent. Before a parent receives property as a result of the action, the parent shall file a bond as the court prescribes and approves as security therefor. In lieu of this bond, upon petition of the parent, the court may order that the property received be invested in securities issued by the United States, which shall be deposited pursuant to the order of the court, or that the property be invested in a savings account, savings certificate, or certificate of deposit, in a bank, savings and loan association, or trust company, or an annuity or other form of structured settlement, subject to the order of the court. A copy of the court's order and the evidence of the deposit shall be filed with the court administrator. *Money or assets in an account established by the court under this section are not available to the minor child or the child's parent or guardian until released by the court to the child or the child's parent or guardian.* No settlement or compromise of the action is valid unless it is approved by a judge of the court in which the action is pending.

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment and applies to issues concerning the availability of funds that arise on and after the effective date."*

Delete the title and insert:

"A bill for an act relating to courts; declaring that money or assets in court-supervised settlement accounts are not available to a minor child or the child's parent or guardian until released by the court; amending Minnesota Statutes 1988, section 540.08."

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. 46: A bill for an act relating to taxation; exempting leased hangars at airports in small cities from property taxation; amending Minnesota Statutes 1988, section 272.02, 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 1988, 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~~ as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 458C, municipal auditorium, ~~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 of an airport owned by a city, town, county, or group thereof which is:*

*(i) leased to or used by any person or entity including a fixed base operator; and*

*(ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods, services, or facilities to the airport or general public;*

*the exception from taxation provided in this clause does not apply to:*

*(i) property located at an airport owned or operated by the metropolitan airports commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or*

*(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business;*

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport; or

~~(3)~~ (4) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the metropolitan airports commission or cities of over 50,000 population or an airport

authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes ~~shall~~ is not be exempt.

(c) Taxes imposed by this subdivision ~~shall be due and are~~ payable as in the case of personal property taxes and ~~such taxes~~ shall be assessed to ~~such~~ the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

Sec. 2. Minnesota Statutes 1988, section 273.19, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3 or 4, *tax-exempt* property held under a lease for a term of at least one year, and not taxable under section 272.01, subdivision 2, or under a contract for the purchase thereof, ~~when the property belongs to the United States, to the state, or to any religious, scientific, or benevolent society or institution, incorporated or unincorporated, or to any railroad company or other corporation whose property is not taxed in the same manner as other property, or when the property is school or other state lands,~~ shall be considered, for all purposes of taxation, as the property of the person so holding ~~the same~~ it. *In this subdivision, "tax-exempt property" means property owned by the United States, the state, a school, or any religious, scientific, or benevolent society or institution, incorporated or unincorporated, or any corporation whose property is not taxed in the same manner as other property.* This subdivision does not apply to property exempt from taxation under section 272.01, subdivision 2, ~~clause paragraph (b), clauses (2), (3), and (4).~~

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective for taxes levied in 1989, payable in 1990, and thereafter."*

Amend the title as follows:

Page 1, line 4, delete "section 272.02," and insert "sections 272.01, subdivision 2; and 273.19, subdivision 1."

Page 1, delete line 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. 119: A bill for an act relating to local government; authorizing towns to establish subordinate service districts; proposing coding for new law as Minnesota Statutes, chapter 365B.

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

Page 1, delete section 1

Page 1, line 12, delete "365B.02" and insert "365B.01"

Page 1, line 19, delete "365B.03" and insert "365B.02"

Page 2, line 5, delete "365B.04" and insert "365B.03"

Page 2, line 6, after "by" insert "at least"

Page 2, line 7, after "voters" insert "who reside"

Page 2, line 25, delete "365B.05" and insert "365B.04"

Page 2, line 35, delete "365B.06" and insert "365B.05"

Page 3, line 1, after "by" insert "at least" and after "voters" insert "who reside"

Page 3, line 3, delete "5" and insert "4"

Page 3, line 19, delete "365B.07" and insert "365B.06"

Page 3, line 22, delete "4 to 7" and insert "3 to 6"

Page 3, line 24, after "unless" insert "at least"

Page 3, line 28, delete "365B.08" and insert "365B.07"

Page 4, line 9, delete "365B.09" and insert "365B.08"

Page 4, line 10, after "by" insert "at least"

Page 4, line 11, after "voters" insert "residing"

Page 4, line 26, delete "365B.10" and insert "365B.09"

Renumber the sections in sequence

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. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 205: A bill for an act relating to taxation: making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; exempting liquor used in law enforcement training; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; imposing cigarette distributor fees; appropriating money; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.011, by adding a subdivision; 168.012, subdivision 1, and by adding a subdivision; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1;

297B.03; 297C.02, subdivision 4; 297C.07; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, 297D, and 325D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

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

Page 25, line 19, delete "*equal*"

Page 25, delete lines 20 to 24 and insert "*as follows:*

*(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and*

*(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less."*

Page 25, line 27, delete everything after "*into*" and insert "*the general fund.*"

Page 25, delete lines 28 and 29

Page 27, delete section 36

Page 27, line 24, delete "*36, and 37*" and insert "*and 36*"

Renumber the sections in sequence

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. 722: A bill for an act relating to employment; requiring prevailing wages to be paid on certain railroad projects assisted with state money; amending Minnesota Statutes 1988, section 222.50, subdivision 5.

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

Page 2, delete lines 15 to 19 and insert:

*"(e) To the extent not prohibited by federal law or regulation, require the payment of prevailing wages, to be determined in the same manner as in section 177.43 by the commissioner of labor and industry, to laborers or persons working on rail line rehabilitation or other rail service improvement."*

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

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

S.F. No. 220: A bill for an act relating to juvenile court; clarifying the grounds for terminating parental rights to a child; authorizing the filing of a CHIPS petition when a child is engaging repeatedly in sexually aggressive behavior and the person responsible for the child fails or refuses to intervene; authorizing the detention of chronic runaways in secure custody within

a shelter care facility; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.155, subdivision 4; 260.173, subdivision 3; and 260.221, 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 1988, section 260.015, subdivision 2a, is amended to read:

Subd. 2a. [CHILD IN NEED OF PROTECTION OR SERVICES.] “Child in need of protection or services” means a child who is in need of protection or services because the child:

- (1) is abandoned or without parent, guardian, or custodian;
- (2) 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, or environment, or associations are~~ *is* such as to be injurious or dangerous to the child or others;



- (10) has committed a delinquent act before becoming ten years old;
- (11) is a runaway; or
- (12) is an habitual truant.

Sec. 2. Minnesota Statutes 1988, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] (a) If the court finds that the child is in need of protection or services or neglected and in foster care, it shall enter an order making any of the following dispositions of the case:

(1) place the child under the protective supervision of the county welfare board or child placing agency in the child's own home under conditions prescribed by the court directed to the correction of the child's need for protection or services;

(2) transfer legal custody to one of the following:

- (i) a child placing agency; or
- (ii) the county welfare board.

In placing a child whose custody has been transferred under this paragraph, the agency and board shall follow the order of preference stated in section 260.181, subdivision 3:

(3) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. *The court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care.* If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(4) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with the consent of the commissioner of corrections, place the child in a group foster care facility which is under the commissioner's management and supervision;

(3) subject to the court's supervision, transfer legal custody of the child

to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child and of public safety that the child's driver's license be canceled, the court may recommend to the commissioner of public safety that the child's license be canceled for any period up to the child's 18th birthday. The commissioner is authorized to cancel the license without a hearing. At any time before the expiration of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize; or

(8) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

Sec. 3. Minnesota Statutes 1988, section 260.221, subdivision 1, is amended to read:

Subdivision 1. [VOLUNTARY AND INVOLUNTARY.] The juvenile court may upon petition, terminate all rights of a parent to a child in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child. Abandonment is presumed when:

(i) the parent has had no contact or merely incidental contact with the child for six months in the case of a child under six years of age, or for 12 months in the case of a child ages six to 11; and

(ii) the social service agency has made reasonable efforts to facilitate contact, unless the parent establishes that an extreme financial or physical hardship or treatment for mental disability or chemical dependency or other good cause prevented the parent from making contact with the child. This presumption does not apply to children whose custody has been determined under chapter 257 or 518. The court is not prohibited from finding abandonment in the absence of this presumption; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the

parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, and reasonable efforts by the social service agency have failed to correct the conditions that formed the basis of the petition; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child; or

(5) That following upon a determination of *neglect or dependency*, or of a child's need for protection or services, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination. It is presumed that reasonable efforts under this clause have failed upon a showing that:

(i) a child under the age of 12 has resided out of the parental home under court order for more than one year following an adjudication of dependency, neglect, *need for protection or services* under section 260.015, subdivision 2a, clause (1), (2), (6), (8), or (9), or neglected and in foster care, and an order for disposition under section 260.191, including adoption of the case plan required by section 257.071;

(ii) conditions leading to the determination will not be corrected within the reasonably foreseeable future; and

(iii) reasonable efforts have been made by the social service agency to rehabilitate the parent and reunite the family.

This clause does not prohibit the termination of parental rights prior to one year after a child has been placed out of the home; or

(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.

Sec. 4. Minnesota Statutes 1988, section 260.221, subdivision 3, is amended to read:

Subd. 3. [WHEN PRIOR FINDING REQUIRED.] For purposes of subdivision 1, clause (b), no prior judicial finding of dependency, neglect, *need for protection or services*, or neglected and in foster care is required, except as provided in subdivision 1, clause (b), item (5).

Sec. 5. Minnesota Statutes 1988, section 260.315, is amended to read:

**260.315 [CONTRIBUTING TO NEED FOR PROTECTION OR SERVICES OR DELINQUENCY.]**

Any person who by act, word, or omission encourages, causes, or contributes to the need for protection or services or delinquency of a child, or to a child's status as a juvenile petty offender, is guilty of a misdemeanor. *This section does not apply to licensed social service agencies and outreach workers who, while acting within the scope of their professional duties, provide services to runaway children.*

Sec. 6. [EFFECTIVE DATE.]

*Sections 3 and 4 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to juvenile court; limiting the court's authority to transfer legal custody of a child for the purpose of obtaining special treatment or care; clarifying the grounds for terminating parental rights to a child; clarifying the liability of persons who provide outreach services to runaways; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.191, subdivision 1; 260.221, subdivisions 1 and 3; and 260.315."

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. 260: A bill for an act relating to probate; providing for a statutory will; enacting the uniform statutory will act; proposing coding as Minnesota Statutes, chapter 524A.

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

Page 1, delete line 7 and insert:

*"Subdivision 1. [GENERAL.] For purposes of this chapter, the following terms have the meanings given them."*

Page 1, line 8, delete "(1)" and insert "Subd. 2. [CHILD.]" and delete "paragraph" and insert "subdivision"

Page 1, line 18, delete "(2)" and insert "Subd. 3. [ISSUE.]"

Page 1, line 20, delete "being"

Page 1, line 22, delete "(3)" and insert "Subd. 4. [PERSONAL REPRESENTATIVE.]"

Page 1, line 24, delete "and" and insert "or"

Page 2, line 1, delete "their" and insert "the person's"

Page 2, line 2, delete "(4)" and insert "Subd. 5. [PROPERTY.]"

Page 2, line 4, delete "(5)" and insert "Subd. 6. [REPRESENTATION.]"

Page 2, line 11, delete "(6)" and insert "Subd. 7. [STATUTORY-WILL ESTATE.]"

Page 2, line 13, delete "(7)" and insert "Subd. 8. [SURVIVING SPOUSE.]"

Page 2, lines 19 and 24, delete "divorce" and insert "dissolution"

Page 2, line 27, delete "(8)" and insert "Subd. 9. [TESTAMENTARY ESTATE.]"

Page 2, line 30, delete "(9)" and insert "Subd. 10. [TESTATOR'S RESIDENCE.]"

Page 3, line 7, delete "(10)" and insert "Subd. 11. [TRUSTEE.]"

Page 3, line 15, after "REFERENCE" insert ";; NOTICE"

Page 3, line 16, before "(a)" insert "Subdivision 1. [INCORPORATION BY REFERENCE.]"

Page 3, after line 29, insert:

*"Subd. 2. [NOTICE.] A form for a statutory will that is available for public distribution must contain the following notice:*

*NOTICE TO THE PERSON WHO SIGNS THIS WILL:*

*THIS IS A LEGALLY BINDING DOCUMENT. THIS DOCUMENT MAY HAVE A SIGNIFICANT TAX IMPACT ON YOUR ESTATE UPON YOUR DEATH. IF YOU HAVE QUESTIONS ABOUT THE EFFECT OF THIS WILL OR WHETHER IT FITS YOUR NEEDS, YOU SHOULD TALK WITH A LAWYER.*

*YOU SHOULD PERIODICALLY REVIEW THIS DOCUMENT TO CONSIDER WHETHER IT CONTINUES TO SERVE YOUR NEEDS OR WHETHER CHANGES ARE NEEDED."*

Page 3, delete line 34

Page 3, line 35, delete "(1) if" and insert "(a) If" and after the comma, insert "the share of the surviving spouse is"

Page 3, line 36, delete ";; or" and insert a period

Page 4, line 1, delete "(2) if" and insert "(b) If" and before the colon, insert "the share of the surviving spouse is"

Page 4, line 2, delete "(i)" and insert "(1)"

Page 4, line 6, delete "(ii)" and insert "(2)"

Page 4, line 8, delete "(iii)" and insert "(3)" and delete "(b)" and insert "(c)"

Page 4, line 10, delete "item (i) or (ii)" and insert "clause (1) or (2)"

Page 4, line 13, delete "(b)" and insert "(c)"

Page 4, line 18, before "Property" insert "Subdivision 1. [GENERAL.]" and delete "(a)" and insert "(b)"

Page 4, line 19, delete "(2), item (iii)" and insert "(3)" and delete "following" and delete the colon and insert "provided in this section."

Page 4, line 20, delete "(1)" and insert "Subd. 2. [DISTRIBUTION OF INCOME DURING LIFE OF SURVIVING SPOUSE.]"

Page 4, line 28, delete "(2)" and insert "Subd. 3. [DISTRIBUTION OF PRINCIPAL DURING LIFE OF SURVIVING SPOUSE.] (a)"

Page 4, line 30, delete "and" and insert "or"

Page 4, line 34, delete "*those*"

Page 5, line 4, after the period, insert:

"(b)"

Page 5, line 11, delete "*If*"

Page 5, delete lines 12 to 14

Page 5, line 15, delete "*surviving spouse.*"

Page 5, line 18, delete "*thereafter*" and insert "*later*"

Page 5, line 20, after the period, insert:

"(c)"

Page 5, line 21, delete "*pursuant*"

Page 5, line 22, delete "*to*" and insert "*under*" and delete "*paragraph*" and insert "*subdivision*"

Page 5, delete line 27 and insert:

"(d) *If the trustee, other than the surviving spouse, determines that continuation of the trust is uneconomical, the trustee may terminate the trust by distribution of the principal to the surviving spouse.*"

Page 5, line 28, delete "*unless*" and insert:

"*Subd. 4. [DISTRIBUTION AFTER DEATH OF SURVIVING SPOUSE.] Unless the principal is*" and delete "*, must be paid.*" and insert "*and*"

Page 5, line 29, delete "*paragraph (2).*" and insert "*subdivision 3, on the death of the surviving spouse the principal must be paid:*"

(1)"

Page 5, line 32, delete "*or.*" and insert "": *or*

(2)"

Page 5, line 35, delete "*had then*" and after "*state*" insert a comma

Page 6, line 10, delete "*had*"

Page 6, line 21, delete "(a)" and insert "*Subdivision 1. [WHEN REQUIRED.]*" and delete "*clause*"

Page 6, line 22, delete "(3)" and insert "*subdivision 4*"

Page 6, line 26, delete "*paragraphs (b) and (c)*" and insert "*subdivisions 2 and 3*"

Page 6, line 29, delete "(b)" and insert "*Subd. 2. [DURATION.]*"

Page 6, line 30, delete "*paragraph (a)*" and insert "*subdivision 1*"

Page 6, line 35, delete "(c)" and insert "*Subd. 3. [EARLY DISTRIBUTION.]*"

Page 7, line 3, delete "*paragraph*" and insert "*subdivision*" and delete "*thereafter must*" and insert "*may*"

Page 7, line 6, delete "(d)" and insert "*Subd. 4. [TERMINATION.]*"

Page 7, line 10, delete "(e)" and insert "*Subd. 5. [FINAL DISTRIBUTION.]*" and delete "*paragraph (c)*" and insert "*subdivision 3*"

Page 7, line 13, delete "*clause (3)*" and insert "*subdivision 4*"

Page 7, lines 17 and 18, delete "*paragraph (c)*" and insert "*subdivision 3*"

Page 7, line 19, delete "*paragraph (b)*" and insert "*subdivision 2*"

Page 7, line 26, delete "*(f)*" and insert "*Subd. 6. [LIMITATION ON TRUSTEE'S DISCRETION.]*"

Page 7, line 33, delete "*(a)*" and insert "*Subdivision 1. [SPECIAL DISTRIBUTION.]*"

Page 8, line 3, delete "*deficiency*" and insert "*disability*"

Page 8, line 4, delete "*(i)*" and insert:

"*(1)*"

Page 8, line 9, delete "*(ii)*" and insert:

"*(2)*"

Page 8, line 10, delete "*item (iii); or (iii)*" and insert "*clause (3); or (3)*"

Page 8, line 12, delete "*thereafter at any time*" and insert "*after that*"

Page 8, line 15, delete "*(b)*" and insert "*Subd. 2. [TERMINATION.]*" and delete "*paragraph (a)*" and insert "*subdivision 1*"

Page 8, line 16, delete "*item (iii)*" and insert "*clause (3)*"

Page 8, line 21, delete "*(c)*" and insert "*Subd. 3. [EXCEPTION.]*"

Page 8, line 25, delete "*(i)*" and insert ":

"*(1)*"

Page 8, line 27, delete ", *(ii)*" and insert ":

"*(2)*" and delete the second comma and insert a semicolon

Page 8, line 28, delete "*(iii)*" and insert:

"*(3)*"

Page 8, line 34, delete "*nor*" and insert "*not*"

Page 9, line 33, delete "*which*" and insert "*that*"

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. 134: A bill for an act relating to government data practices; authorizing release of certain data to state committee of blind vendors; amending Minnesota Statutes 1988, section 13.791, 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 1988, 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 private data on individuals. ~~The commissioner of jobs and training may release the name, business address, and business telephone number of an individual licensed under section 248.07, subdivision 8.~~

Sec. 2. Minnesota Statutes 1988, section 13.791, is amended by adding a subdivision to read:

*Subd. 1a. [DATA ON BLIND VENDORS.] The commissioner of jobs and training may release the name, business address, and business telephone number of an individual licensed under section 248.07, subdivision 8. The state committee of blind vendors organized in accordance with Code of Federal Regulations, title 34, section 395.14, has access to private data in the department of jobs and training on an individual licensed under section 248.07, subdivision 8, to the extent necessary to complete its duties.*

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment."*

Amend the title as follows:

Page 1, line 5, before the period, insert ". and 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. 155: A bill for an act relating to crimes; prohibiting the intentional distribution of computer programs that are designed to destroy or modify computer software, computer data, or other property; imposing penalties; amending Minnesota Statutes 1988, sections 609.87, by adding subdivisions; and 609.88.

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 1988, section 609.87, is amended by adding a subdivision to read:

*Subd. 11. [DESTRUCTIVE COMPUTER PROGRAM.] "Destructive computer program" means a computer program that performs a destructive function or produces a destructive product. A program performs a destructive function if it degrades performance of the affected computer, associated peripherals or a computer program; disables the computer, associated peripherals or a computer program; or destroys or alters computer programs or data. A program produces a destructive product if it produces unauthorized data, including data that make computer memory space unavailable; results in the unauthorized alteration of data or computer programs; or produces a destructive computer program, including a self-replicating computer program.*

Sec. 2. Minnesota Statutes 1988, section 609.88, subdivision 1, is amended to read:



Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer damage and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization damages or destroys any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6: ~~or~~

(b) Intentionally and without authorization and with intent to injure or defraud alters any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6; *or*

(c) *Intentionally and without authorization distributes a destructive computer program.*

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective August 1, 1989, and apply to crimes committed after that date.*"

Delete the title and insert:

"A bill for an act relating to crimes; prohibiting the intentional distribution of destructive computer programs; imposing penalties; amending Minnesota Statutes 1988, sections 609.87, by adding a subdivision; and 609.88, 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 re-referred

S.F. No. 1: A bill for an act relating to waste management; restoring powers and duties to the waste management board.

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 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;

Commissioner of education;

Commissioner of transportation;

Commissioner of human services;

Commissioner of revenue;  
 Executive director, state board of  
 investment;

\$50,000-\$67,500

Commissioner of administration;  
 Commissioner of agriculture;  
 Commissioner of commerce;  
 Commissioner of corrections;  
 Commissioner of jobs and training;  
 Commissioner of employee relations;  
 Commissioner of health;  
 Commissioner of labor and industry;  
 Commissioner of natural resources;  
 Commissioner of public safety;  
 Commissioner of trade and economic development;  
~~Chair, waste management board;~~  
 Chief administrative law judge: office of  
 administrative hearings;  
 Commissioner, pollution control agency;  
 Commissioner, state planning agency;  
*Director, office of waste management;*  
 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;

\$42,500-\$60,000

Commissioner of human rights;  
 Commissioner, department of public service;  
 Commissioner of veterans' affairs;  
 Commissioner, bureau of mediation services;

Commissioner, public utilities commission;

Member, transportation regulation board;

Ombudsman for corrections;

Ombudsman for mental health and retardation.

Sec. 2. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

*Subd. 8a. [DIRECTOR.] "Director" means the director of the office of waste management.*

Sec. 3. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

*Subd. 22a. [OFFICE.] "Office" means the office of waste management.*

Sec. 4. [115A.055] [OFFICE OF WASTE MANAGEMENT.]

*The office of waste management is an agency in the executive branch headed by a director appointed by the governor, with the advice and consent of the senate, to serve in the unclassified service. The director may appoint two assistant directors in the unclassified service and may appoint other employees, as needed, in the classified service.*

Sec. 5. Minnesota Statutes 1988, section 116C.03, subdivision 2, is amended to read:

*Subd. 2. [MEMBERSHIP] The members of the board are the commissioner of the state planning agency, the commissioner of public service, the commissioner of the pollution control agency, the commissioner of natural resources, the ~~chair~~ director of the office of 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. Notwithstanding the provisions of section 15.06, subdivision 6, members of the board may not delegate their powers and responsibilities as board members to any other person.*

Sec. 6. [WASTE MANAGEMENT BOARD: POWERS AND DUTIES.]

*Except for the office of waste tire management in the pollution control agency, the responsibilities of the waste management board transferred from it by reorganization order under Minnesota Statutes, section 16B.37, are transferred to the office of waste management established by section 4 under Minnesota Statutes, section 15.039.*

Sec. 7. [INSTRUCTIONS TO REVISOR.]

*The revisor of statutes is directed to change the words and terms in Column A wherever they appear in Minnesota Statutes, chapter 115A, to the words and terms in Column B in Minnesota Statutes 1990 and subsequent editions of the statutes.*

Column A  
board  
board, through its chair  
chair

Column B  
office  
director  
director

*chair of the board*

*director*

*waste management board*

*office of waste management*

Sec. 8. [REPEALER.]

*Minnesota Statutes 1988, sections 115A.03, subdivision 3; 115A.04; 115A.05; 115A.06, subdivisions 1 and 3; and 115A.11, subdivision 3, are repealed.*

Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 8 are effective the day following final enactment.”*

Delete the title and insert:

“A bill for an act relating to waste management; establishing the office of waste management; transferring to the office of waste management the powers and duties of the waste management board; amending Minnesota Statutes 1988, sections 15A.081, subdivision 1; 115A.03, by adding subdivisions; and 116C.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, sections 115A.03, subdivision 3; 115A.04; 115A.05; 115A.06, subdivisions 1 and 3; and 115A.11, subdivision 3.”

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.E No. 831: A bill for an act relating to counties; permitting county appropriations for the arts; amending Minnesota Statutes 1988, section 375.18, 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. [471.94] [APPROPRIATION FOR ARTISTIC ACTIVITIES.]

*For the purposes of this section, “artistic organization” means an association, corporation, or other group of persons that provides an opportunity for persons to participate in the creation, performance, or appreciation of artistic activities which include but are not limited to: music, dance, drama, folk art, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, costume and fashion design, motion pictures, television, radio, tape and sound records, activities related to the presentation, performance, execution, and exhibition of the art forms, and the study of the arts and their application to the human environment.*

*A county, statutory or home rule charter city, or town may appropriate money to support artistic organizations. The appropriation may be divided among organizations in the proportions that the county board, city council, or town board determines.”*

Amend the title as follows:

Page 1, line 2, delete “counties” and insert “local government” and delete “county” and insert “local government”

Page 1, line 3, delete everything after the semicolon

Page 1, delete line 4 and insert "proposing coding for new law in Minnesota Statutes, chapter 471."

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. 357: A bill for an act relating to the capital budget; creating a legislative building commission; appropriating money; amending Minnesota Statutes 1988, section 16A.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Page 1, line 11, delete the comma

Page 1, line 12, delete everything before "and"

Page 1, line 14, delete everything after "speaker" and insert ". Membership of both the house of representatives and the senate must be proportional to the majority and minority group membership of each body."

Page 1, delete line 15

Page 2, line 6, delete from "The" through page 2, line 7, to "commission."

Page 2, line 28, after the period, insert "The recommendations may include proposed legislative responses to requests:

(1) to acquire or improve state land or buildings or to undertake other public improvements of a capital nature;

(2) to repair, rehabilitate, or maintain state buildings;

(3) to authorize the sale of state general obligation bonds; or

(4) to authorize the sale of state revenue bonds if the proceeds of the bonds will be used to acquire or improve state land or buildings or to undertake other public improvements of a capital nature."

Page 2, after line 28, insert:

"Subd. 7. [STAFF] The commission may hire staff members and may use existing legislative staff for additional assistance when necessary.

Subd. 8. [ADMINISTRATIVE SUPPORT.] The commissioners of administration and finance shall provide assistance, information, and administrative support to the commission and the commission staff.

Subd. 9. [COOPERATION OF AGENCIES.] State agencies shall cooperate with the commission and shall promptly furnish information requested by it."

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. 210: A bill for an act relating to real property; providing that purchaser's right to cancel applies to condominiums created before August 1, 1980; providing that lien on real estate added in expansion of flexible

condominiums does not affect existing condominiums; empowering homeowner associations to foreclose assessment liens; amending Minnesota Statutes 1988, sections 515A.1-102; and 515A.2-111; proposing coding for new law as Minnesota Statutes, chapter 515B.

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

Page 3, line 16, delete "Any" and insert "A" and delete "affecting" and insert "upon" and delete the comma

Page 3, line 17, delete "does" and insert "is" and delete "affect" and insert "upon" and delete ", shall remain as" and insert "is"

Page 3, line 19, delete "which" and insert "that"

Page 3, line 20, delete the comma

Page 3, line 21, delete "shall be" and insert "are" and delete "which" and insert "that"

Page 3, line 23, delete "such" and insert "the"

Page 3, delete lines 25 and 26

Pages 3 to 5, delete sections 3 to 7

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete everything before "amending"

Page 1, line 9, delete everything after "515A.2-111" and insert a period

Page 1, delete line 10

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. 723: A bill for an act relating to occupations and professions; regulating nursing; proposing the Minnesota nurse practice act; providing penalties; amending Minnesota Statutes 1988, sections 144A.43, subdivision 3; 145A.02, subdivision 18; 148.171; 148.181; 148.191; 148.211; 148.231; 148.241; 148.251; 148.261; 148.271; 148.281; and 148.283; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1988, sections 145A.06, subdivision 3; 148.191, subdivision 3; 148.221; 148.251, subdivision 2; 148.261, subdivision 3; 148.272; 148.281, subdivision 1a; 148.286; 148.29; 148.291; 148.292; 148.293; 148.294; 148.295; 148.296; 148.297; 148.298; and 148.299.

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

Page 3, delete line 36

Page 4, delete lines 1 to 4

Page 7, line 17, after the period, insert "*Nothing herein may be construed to allow access to any records protected by section 145.64.*"

Page 7, line 19, delete "section 13.39" and insert "chapter 13"

Page 14, line 32, delete "*potential*"

Page 14, lines 33 and 34, delete "*in a safe, effective, and competent manner*" and insert "*with reasonable skill and safety*"

Page 22, line 22, delete "*private*" and insert "*investigative*"

Page 22, line 23, delete "*on individuals*" and delete "*section 13.02*" and insert "*chapter 13*"

Page 23, line 3, after "*records*" insert "*in the nurse's possession*"

Page 27, after line 25, insert:

"Sec. 20. Minnesota Statutes 1988, section 319A.02, subdivision 2, is amended to read:

Subd. 2. "Professional service" means personal service rendered by a professional pursuant to a license or certificate issued by the state of Minnesota to practice medicine and surgery pursuant to sections 147.01 to 147.29, chiropractic pursuant to sections 148.01 to 148.105, registered nursing pursuant to sections 148.171 to 148.285, optometry pursuant to sections 148.52 to 148.62, psychology pursuant to sections 148.88 to 148.98, dentistry pursuant to sections 150A.01 to 150A.12, pharmacy pursuant to sections 151.01 to 151.40, podiatric medicine pursuant to Laws 1987, chapter 108, sections 1 to 16, veterinary medicine pursuant to sections 156.001 to 156.14, architecture, engineering, surveying and landscape architecture pursuant to sections 326.02 to 326.15, accountancy pursuant to sections 326.17 to 326.23, or law pursuant to sections 481.01 to 481.17, or pursuant to a license or certificate issued by another state pursuant to similar laws."

Page 27, line 26, delete "20" and insert "21"

Amend the title as follows:

Page 1, line 7, delete "and"

Page 1, line 8, after the semicolon, insert "and 319A.02, subdivision 2;"

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. 504: A bill for an act relating to human services; authorizing the commissioner to establish case management for people with brain injuries; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1988, section 256B.0625, subdivision 21.

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

Page 1, lines 8 and 9, delete "CASE MANAGEMENT FOR BRAIN INJURED AND OTHER INDIVIDUALS" and insert "SERVICES FOR PERSONS WITH BRAIN INJURIES"

Page 1, after line 9, insert:

"Subdivision 1. [STATE COORDINATOR.] *The commissioner of human services shall designate a full-time position within the long-term care*

*management division of the department of human services to supervise and coordinate services for persons with brain injuries."*

Page 1, line 15, delete "head injury or traumatic"

Page 2, line 34, delete "Head injury" or "traumatic"

Re-number the subdivisions in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "creating a state coordinator of services for people with brain injuries:"

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. 489: A bill for an act relating to human services: clarifying and expanding the duties of the ombudsman for older Minnesotans; amending Minnesota Statutes 1988, sections 256.974; 256.9741, subdivisions 3 and 5; 256.9742; 256.9744, subdivision 1; and 256.975, subdivision 2, and 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 1988, section 256.974, is amended to read:

256.974 [OFFICE OF OMBUDSMAN FOR OLDER MINNESOTANS; LOCAL PROGRAMS.]

The ombudsman for older Minnesotans serves in the classified service under section 256.01, subdivision 7, in an office within the Minnesota board on aging that incorporates the long-term care ombudsman program required by the Older Americans Act, Public Law Number 98-456 100-75, United States Code, title 42, section 3027(a)(12), and established within the Minnesota board on aging. The Minnesota board on aging may make grants to *and designate* local programs ~~or area agencies on aging~~ for the provision of ombudsman services to clients in county or multicounty areas. ~~Individuals providing local ombudsman services must be qualified to perform the duties required by section 256.9742. The local program may not be an agency engaged in the provision of nursing home care, hospital care, or home care services either directly or by contract, or have the responsibility for planning, coordinating, funding, or administering nursing home care, hospital care, or home care services.~~

Sec. 2. Minnesota Statutes 1988, section 256.9741, subdivision 3, is amended to read:

Subd. 3. "Client" means an individual who requests, or on whose behalf a request is made for, ombudsman services and is (a) a resident of a long-term care facility or (b) a ~~patient in an acute care facility who is eligible for Medicare and beneficiary who requests assistance relating to admission or discharge from an acute care facility~~ *access, discharge, or denial of inpatient or outpatient services, or (c) an individual reserving or requesting*



*a home care service.*

Sec. 3. Minnesota Statutes 1988, section 256.9741, subdivision 5, is amended to read:

Subd. 5. "Office" means the office of ombudsman established within the Minnesota board on aging or local ombudsman programs *that the board on aging designates.*

Sec. 4. Minnesota Statutes 1988, section 256.9741, is amended by adding a subdivision to read:

Subd. 6. "*Home care service*" means health, social, or supportive services provided to an individual in the individual's residence and in the community to promote, maintain, or restore health, or maximize the individual's level of independence, while minimizing the effects of disability and illness.

Sec. 5. Minnesota Statutes 1988, section 256.9742, is amended to read:  
256.9742 [DUTIES AND POWERS OF THE OFFICE.]

Subdivision 1. [DUTIES.] The ombudsman shall:

(1) gather information and evaluate any act, practice, policy, procedure, or administrative action of a long-term care facility, acute care facility, *home care service provider*, or government agency that may adversely affect the health, safety, welfare, or rights of any client;

(2) mediate or advocate on behalf of clients;

(3) monitor the development and implementation of federal, state, or local laws, *rules*, regulations, and policies affecting the rights and benefits of clients;

(4) comment on and recommend to the legislature and public and private agencies regarding laws, *rules*, regulations, and policies affecting clients;

(5) inform public agencies about the problems of clients;

(6) provide for training of volunteers and promote the development of citizen participation in the work of the office;

(7) conduct public forums to obtain information about and publicize issues affecting clients;

(8) provide public education regarding the health, safety, welfare, and rights of clients; and

(9) collect and analyze data relating to complaints ~~and~~, conditions ~~in~~ ~~long-term care facilities~~, and services.

Subd. 1a. [DESIGNATION; LOCAL OMBUDSMAN REPRESENTATIVES.] (a) *In designating an individual to perform duties under this section, the ombudsman must determine that the individual is qualified to perform the duties required by section 256.9742.*

(b) *An individual designated under this section must successfully complete an orientation training conducted under the direction of the ombudsman or approved by the ombudsman. Orientation training shall be at least 20 hours and will consist of training in: investigation; dispute resolution; health care regulation; confidentiality; resident and patients' rights; and health care reimbursement.*

(c) *The ombudsman shall develop and implement a continuing education program for individuals designated under this section. The continuing education program shall be at least 60 hours annually.*

(d) *The ombudsman may withdraw an individual's designation if the individual fails to perform duties of this section or meet continuing education requirements. The individual may request a reconsideration of such action by the board on aging whose decision shall be final.*

Subd. 2. [IMMUNITY FROM LIABILITY.] ~~A person designated as an ombudsman~~ *The ombudsman or designee* under this section is immune from civil liability that otherwise might result from the person's actions or omissions if the person's actions are in good faith, are within the scope of the person's responsibilities as an ombudsman, and do not constitute willful or reckless misconduct.

Subd. 3. [POSTING.] Every long-term care facility and acute care facility shall post in a conspicuous place the address and telephone number of the office. *A home care service provider shall provide all recipients with the address and telephone number of the office.* The posting or notice is subject to approval by the ombudsman.

Subd. 4. [ACCESS TO LONG-TERM CARE AND ACUTE CARE FACILITIES AND CLIENTS.] The ombudsman *or designee* may:

(1) enter any long-term care facility without notice at any time;

(2) enter any acute care facility without notice during normal business hours;

(3) *enter any acute care facility without notice at any time to interview a patient or observe services being provided to the patient as part of an investigation of a matter that is within the scope of the ombudsman's authority, but only if the ombudsman's or designee's presence does not intrude upon the privacy of another patient or interfere with routine hospital services provided to any patient in the facility;*

(4) communicate privately and without restriction with any client in accordance with section 144.651; ~~and~~

~~(4)~~ (5) inspect records of a long-term care facility, *home care service provider*, or acute care facility that pertain to the care of the client according to sections 144.335 and 144.651; *and*

(6) *with the consent of a client or client's legal guardian, have access to review records pertaining to the care of the client according to sections 144.335 and 144.651. If a client cannot consent and has no legal guardian, access to the records is authorized by this section.*

*A person who violates this subdivision or aids, abets, invites, compels, or coerces another to do so is guilty of a misdemeanor.*

Subd. 5. [ACCESS TO STATE RECORDS.] The ombudsman *or designee* has access to data of a state agency necessary for the discharge of the ombudsman's duties, including records classified confidential or private under chapter 13, or any other law. The data requested must be related to a specific case and is subject to section 13.03, subdivision 4. If the data concerns an individual, the ombudsman *or designee* shall first obtain the individual's consent. *If the individual cannot consent and has no legal guardian, then access to the data is authorized by this section.*

Each state agency responsible for licensing, regulating, and enforcing state and federal laws and regulations concerning long-term care, *home care service providers*, and acute care facilities shall forward to the ombudsman on a quarterly basis, copies of all correction orders, penalty assessments, and complaint investigation reports, for all long-term care facilities and, acute care facilities, and *home care service providers*.

*Subd. 6. [PROHIBITION AGAINST DISCRIMINATION OR RETALIATION.] No entity shall take discriminatory, disciplinary, or retaliatory action against an employee or volunteer, or a patient, resident, or guardian or family member of a patient, resident, or guardian for filing in good faith a complaint with or providing information to the ombudsman or designee.*

*A person who violates this subdivision or who aids, abets, invites, compels, or coerces another to do so is guilty of a misdemeanor.*

*There shall be a rebuttable presumption that any adverse action, as defined below, within 90 days of report, is discriminatory, disciplinary, or retaliatory. For the purpose of this clause, the term "adverse action" refers to action taken by the entity involved in a report against the person making the report or the person with respect to whom the report was made because of the report, and includes, but is not limited to:*

- (1) discharge or transfer from a facility;*
- (2) termination of service;*
- (3) restriction or prohibition of access to the facility or its residents;*
- (4) discharge from or termination of employment;*
- (5) demotion or reduction in remuneration for services; and*
- (6) any restriction of rights set forth in section 144.651 or 144A.44.*

Sec. 6. Minnesota Statutes 1988, section 256.9744, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATION.] Except as provided in this section, data maintained by the office under sections 256.974 to 256.9744 are private data on individuals or nonpublic data as defined in section 13.02, subdivision 9 or 12, and must be maintained in accordance with the requirements of Public Law Number 98-459 100-75, United States Code, title 42, section 3027(a)(12)(D).

Sec. 7. Minnesota Statutes 1988, section 256.975, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The board shall carry out the following duties:

- (a) to advise the governor and heads of state departments and agencies regarding policy, programs, and services affecting the aging;
- (b) to provide a mechanism for coordinating plans and activities of state departments and citizens' groups as they pertain to aging;
- (c) to create public awareness of the special needs and potentialities of older persons;
- (d) to gather and disseminate information about research and action programs, and to encourage state departments and other agencies to conduct needed research in the field of aging;

(e) to stimulate, guide, and provide technical assistance in the organization of local councils on aging;

(f) to provide continuous review of ongoing services, programs and proposed legislation affecting the elderly in Minnesota; ~~and~~

(g) to administer and to make policy relating to all aspects of the older americans act of 1965, as amended, including implementation thereof; *and*

*(h) to award grants, enter into contracts, and adopt rules the Minnesota board on aging deems necessary to carry out the purposes of this section.*

Sec. 8. [APPROPRIATION.]

*\$508,000 is appropriated from the general fund to the board on aging for the biennium ending June 30, 1991, for the purposes of sections 1 to 7."*

Delete the title and insert:

"A bill for an act relating to human services; clarifying and expanding the duties of the ombudsman for older Minnesotans; appropriating money; amending Minnesota Statutes 1988, sections 256.974; 256.9741, subdivisions 3 and 5, and by adding a subdivision; 256.9742; 256.9744, subdivision 1; and 256.975, subdivision 2."

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

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 587: A bill for an act relating to housing; exempting relocated residential buildings from certain provisions of the state building code; amending Minnesota Statutes 1988, section 16B.61, 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 1988, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(f) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(g) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(h) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(i) [RELOCATED RESIDENTIAL BUILDINGS.] *A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.*

Sec. 2. Minnesota Statutes 1988, section 462.357, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY FOR ZONING.] For the purpose of promoting the public health, safety, morals and general welfare, a municipality may by ordinance regulate on the earth's surface, in the air space above the surface, and in subsurface areas, the location, height, width, bulk, type of foundation, number of stories, size of buildings and other structures, the percentage of lot which may be occupied, the size of yards and other

open spaces, the density and distribution of population, the uses of buildings and structures for trade, industry, residence, recreation, public activities, or other purposes, and the uses of land for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, conservation of shorelands, as defined in section 105.485, access to direct sunlight for solar energy systems as defined in section 116J.06, flood control or other purposes, and may establish standards and procedures regulating such uses. No regulation may prohibit earth sheltered construction as defined in section 116J.06, subdivision 2, *relocated residential buildings*, or manufactured homes built in conformance with sections 327.31 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section. The regulations may divide the surface, above surface, and subsurface areas of the municipality into districts or zones of suitable numbers, shape and area. The regulations shall be uniform for each class or kind of buildings, structures or land and for each class or kind of use throughout such district, but the regulations in one district may differ from those in other districts. The ordinance embodying these regulations shall be known as the zoning ordinance and shall consist of text and maps. A city may by ordinance extend the application of its zoning regulations to unincorporated territory located within two miles of its limits in any direction, but not in a county or town which has adopted zoning regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the zoning of land on its side of a line equidistant between the two noncontiguous municipalities unless a town or county in the affected area has adopted zoning regulations. Any city may thereafter enforce such regulations in the area to the same extent as if such property were situated within its corporate limits, until the county or town board adopts a comprehensive zoning regulation which includes the area.

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 housing; providing for relocating residential buildings; amending Minnesota Statutes 1988, sections 16B.61, subdivision 3; and 462.357, subdivision 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. 481 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.
481	546				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 481 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 481 and insert the language after the enacting clause of S.F. No. 546, the first

engrossment; further, delete the title of H.F. No. 481 and insert the title of S.F. No. 546, the first engrossment.

And when so amended H.F. No. 481 will be identical to S.F. No. 546, and further recommends that H.F. No. 481 be given its second reading and substituted for S.F. No. 546, 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. 664 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.
664	591				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 664 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 664 and insert the language after the enacting clause of S.F. No. 591, the first engrossment; further, delete the title of H.F. No. 664 and insert the title of S.F. No. 591, the first engrossment.

And when so amended H.F. No. 664 will be identical to S.F. No. 591, and further recommends that H.F. No. 664 be given its second reading and substituted for S.F. No. 591, 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 was referred the following appointment as reported in the Journal for February 16, 1989:

#### STATE ETHICAL PRACTICES BOARD

William Heaney

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. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 466: A bill for an act relating to workers' compensation; regulating self-insurance; defining various terms; regulating certain administrative duties, powers, and procedures; regulating various benefits; amending Minnesota Statutes 1988, sections 79A.01, by adding a subdivision: 79A.04, subdivision 14; 129A.05, subdivision 2; 175.171; 176.011, subdivisions

15, 21 and 24; 176.021, subdivision 3; 176.081, subdivision 1; 176.101, subdivision 3e; 176.102, subdivisions 3, 3a, 4, and 11; 176.103, subdivision 3; 176.104, subdivision 1; 176.106, subdivisions 7, 8, and 9; 176.111, subdivisions 7 and 8; 176.131, subdivision 1; 176.135, subdivisions 1, 3, 6, 7, and by adding a subdivision; 176.136, subdivision 5; 176.155, subdivision 1; 176.181, subdivision 2; 176.191, subdivision 3; 176.221, subdivision 9; 176.225, subdivision 5; 176.231, subdivisions 8 and 9; 176.238, subdivisions 1, 6, and 9; 176.239, subdivisions 1, 2, 3, and 6; 176.291; 176.305, subdivisions 1 and 4; 176.421, subdivision 7; 176.451, subdivision 4; 176.521, subdivision 1; and 176.83, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1988, 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 32, insert:

"Sec. 4. Minnesota Statutes 1988, section 175.007, subdivision 2, is amended to read:

Subd. 2. The advisory council shall study and present to the legislature and the governor, on or before ~~November 15~~ *March 1* of each ~~even numbered~~ *odd-numbered* year, ~~its findings relative to the costs, methods of financing, and the formula to be used to provide supplementary compensation to workers who have been determined permanently and totally disabled prior to July 1, 1969, and its findings relative to alterations in the scheduled benefits for permanent partially disabled, and other aspects of the workers' compensation act. The council shall also study and present to the legislature and the governor on or before November 15 of 1981 and by November 15 of each even-numbered year thereafter a report on the financial, administrative, and personnel needs of the workers' compensation division, and on recommendations for changes, if necessary, concerning the administration and operation of the workers' compensation law."~~

Page 11, line 24, strike "the commissioner or a designee, who"

Page 11, line 25, strike "shall serve as an ex officio member and"

Page 11, line 27, after "chiropractors" reinstate the stricken comma

Page 11, line 28, delete "/medical" and insert "*one member representing medical*"

Page 17, after line 11, insert:

"Sec. 19. Minnesota Statutes 1988, section 176.106, subdivision 3, is amended to read:

Subd. 3. [CONFERENCE.] The matter shall be scheduled for an administrative conference within 60 days after receipt of the request for a conference. Notice of the conference shall be served on all parties no later than 14 days prior to the conference, ~~unless the commissioner determines that a conference shall not be held.~~ The commissioner may order an administrative conference whether or not a request for conference is filed.

The commissioner may refuse to hold an administrative conference and *issue a decision based on the written submissions of the parties or refer the matter for a settlement or pretrial conference or may certify the matter*



to the office of administrative hearings for a full hearing before a compensation judge.”

Page 20, line 4, after the first comma, insert “*PSYCHOLOGICAL*,”

Page 20, line 5, after the second comma, insert “*psychological*,”

Page 22, line 15, strike “Health”

Page 22, strike lines 16 and 17

Page 22, line 18, strike “payment is sought under this chapter.”

Pages 28 to 30, delete sections 33 and 34

Page 34, lines 17 and 28, before “*benefits*” insert “*wage loss*”

Page 35, lines 6 and 20, before “*benefits*” insert “*wage loss*”

Page 38, after line 21, insert:

“Sec. 48. Minnesota Statutes 1988, section 176.351, subdivision 2a, is amended to read:

Subd. 2a. [SUBPOENAS NOT PERMITTED.] A member of the rehabilitation review panel or medical services board or an employee of the department who has conducted an administrative or settlement conference or hearing *or issued a decision* under section 176.106 or 176.239, shall not be subpoenaed to testify regarding the conference, hearing, *decision*, or concerning a mediation session. A member of the rehabilitation review panel, medical services board, or an employee of the department may be required to answer written interrogatories limited to the following questions:

(a) Were all statutory and administrative procedural rules adhered to in reaching the decision?

(b) If the answer to question (a) is no, what deviations took place?

(c) Did the person making the decision consider all the information presented prior to rendering a decision?

(d) Did the person making the decision rely on information outside of the information presented at the conference or hearing in making the decision?

(e) If the answer to question (d) is yes, what other information was relied upon in making the decision?

In addition, for a hearing with a compensation judge and with the consent of the compensation judge, an employee of the department who conducted an administrative conference, hearing, or mediation session, may be requested to answer written interrogatories relating to statements made by a party at the prior proceeding. These interrogatories shall be limited to affirming or denying that specific statements were made by a party.”

Page 41, delete line 10 and insert:

“*This act is effective July 1, 1989; except that portion of section 26 relating to an employer furnishing psychological treatment to an injured employee is effective retroactively to any such treatment provided after May 26, 1988.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after “2;” insert “175.007, subdivision 2;”

Page 1, line 12, after "subdivisions" insert "3,"

Page 1, line 17, delete everything after "3;"

Page 1, line 18, delete "subdivision 5;"

Page 1, line 20, after "4;" insert "176.351, subdivision 2a:"

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

### SECOND READING OF SENATE BILLS

S.F. Nos. 264, 331, 391, 621, 46, 205, 220, 260, 134, 155, 1, 831, 210, 723, 587 and 466 were read the second time.

### SECOND READING OF HOUSE BILLS

H.F. Nos. 481 and 664 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the name of Mr. Marty be added as a co-author to S.F. No. 510. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 676. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Lessard be added as a co-author to S.F. No. 956. The motion prevailed.

Mr. Cohen moved that the name of Mr. Spear be added as a co-author to S.F. No. 1006. The motion prevailed.

Mr. Luther moved that the name of Mr. Spear be added as a co-author to S.F. No. 1044. The motion prevailed.

Mr. Berg moved that the names of Messrs. Frederickson, D.R. and Lessard be added as co-authors to S.F. No. 1085. The motion prevailed.

Mr. Brandl moved that S.F. No. 384 be withdrawn from the Committee on Health and Human Services and returned to its author. The motion prevailed.

Mr. McGowan introduced—

Senate Resolution No. 74: A Senate resolution congratulating the Osseo High School Girls Basketball Team for winning the 1989 Class AA State High School Girls Basketball Championship.

Referred to the Committee on Rules and Administration.

Messrs. Cohen; Spear; Moe, R.D.; Johnson, D.E. and Metzen introduced—

Senate Resolution No. 75: A Senate resolution supporting the spirit of "Glasnost," human rights, and the rights of Soviet Jews and Christians to emigrate.

Referred to the Committee on Rules and Administration.

Mrs. McQuaid introduced—

Senate Resolution No. 76: A Senate resolution congratulating the St. Louis Park High School Girls Basketball Team for their third-place finish at the 1989 Class AA State High School Girls Basketball Championship.

Referred to the Committee on Rules and Administration.

Ms. Berglin moved that S.F. No. 621, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Frederickson, D.J. moved that S.F. No. 594, No. 43 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Frank moved that S.F. No. 775, No. 45 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

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

Senate Resolution No. 77: A Senate resolution declaring Monday, March 20, 1989, as Agriculture Day.

WHEREAS, agriculture is Minnesota's largest industry; and

WHEREAS, Minnesota is blessed with a wide variety and great abundance of crops and livestock produced on 94,000 farms; and

WHEREAS, the market value of this production approximates seven billion dollars annually; and

WHEREAS, one-third of our population derives its income from the production, processing, transportation, and marketing of these products; and

WHEREAS, Minnesota is one of the key agricultural processing states in the nation which, in turn, adds a significant increase in the value of the goods produced; and

WHEREAS, it is essential that farmers, business people, and consumers work to understand each other's needs for the benefit of all; and

WHEREAS, Agriculture Day is set aside to salute the achievements of the working men and women in the agribusiness area of Minnesota's economy; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it declares Monday, March 20, 1989, as Agriculture Day in Minnesota. All the people of Minnesota should take note of the benefits the industry of agriculture brings to our state and people.

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 representatives of the Minnesota agricultural community.

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

## CALENDAR

H.F. No. 27: A bill for an act relating to crimes; expanding the definition of "bodily harm" in the crime of third degree assault of an unborn child to include premature birth; amending Minnesota Statutes 1988, section 609.2672.

Was read the third time 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	Knaak	Merriam	Ramstad
Beckman	Decker	Knutson	Moe, D.M.	Reichgott
Belanger	DeCramer	Kroening	Moe, R.D.	Renneke
Benson	Dicklich	Laidig	Morse	Samuelson
Berg	Diessner	Langseth	Novak	Schmitz
Berglin	Frank	Lantry	Olson	Solon
Bernhagen	Frederickson, D.J.	Larson	Pariseau	Spear
Bertram	Frederickson, D.R.	Lessard	Pehler	Storm
Brandl	Freeman	Luther	Peterson, D.C.	Stumpf
Brataas	Gustafson	Marty	Peterson, R.W.	Taylor
Chmielewski	Hughes	McGowan	Piper	Vickerman
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 104: A bill for an act relating to agriculture; making changes in the rural finance authority loan program; amending Minnesota Statutes 1988, sections 41B.02, subdivisions 12, 15, and 18; 41B.03, subdivision 3, and by adding a subdivision; 41B.039, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 382: A bill for an act relating to animals; clarifying regulations pertaining to dangerous dogs; granting certain powers to animal control officers; prohibiting local ordinances that define specific breeds of dogs as dangerous; amending Minnesota Statutes 1988, sections 343.20, by

adding a subdivision; 343.29, subdivision 1; 347.50, subdivisions 4, 5, and by adding a subdivision; 347.51, subdivisions 5 and 6, and by adding subdivisions; 347.53; 347.54; and 609.226, 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

H.F. No. 512: A bill for an act relating to local government; authorizing towns to require a bond or other security in establishing cartways; amending Minnesota Statutes 1988, section 164.08, 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	Davis	Knutson	Moe, D.M.	Reichgott
Anderson	Decker	Kroening	Moe, R.D.	Renneke
Beckman	DeCramer	Laidig	Morse	Samuelson
Belanger	Dicklich	Langseth	Novak	Schmitz
Benson	Diessner	Lantry	Olson	Solon
Berg	Frank	Larson	Pariseau	Spear
Berglin	Frederickson, D.J.	Lessard	Pehler	Storm
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Stumpf
Bertram	Freeman	Marty	Peterson, R.W.	Taylor
Brandl	Hughes	McGowan	Piper	Vickerman
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	
Dahl	Knaak	Merriam	Ramstad	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### MOTIONS AND RESOLUTIONS

#### 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. 29: Ms. Reichgott, Messrs. Peterson, R.W. and Laidig.

Mr. Moe, R.D. moved that the foregoing appointments be approved. 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. No. 218 and H.F. Nos. 95, 509 and 410, which the committee recommends to pass.

S.F. No. 126, which the committee recommends to pass with the following amendment offered by Mr. Diessner:

Page 1, line 17, after "appear" insert "*in court in response to a notice to appear prepared under section 169.91, subdivision 3,*" and after "or" insert "*fails to*"

Page 1, line 20, after "nonappearance" insert "*or noncompliance*"

The motion prevailed. So the amendment was adopted.

H.F. No. 387, which the committee recommends to pass, subject to the following motion:

Mrs. Lantry moved that the amendment made to H.F. No. 387 by the Committee on Rules and Administration in the report adopted March 9, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 203, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1988, section 340A.404, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISION; CITY OF MINNEAPOLIS.] The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theatre ~~and~~ the Cricket Theatre, *the Orpheum Theatre, and the State Theatre*, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for ~~dramatic~~ performances presented by the theatres and to members of the nonprofit corporations holding the licenses and to their guests."

Page 1, line 21, delete "*and 2*" and insert "*to 3*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "center" insert ", the Orpheum Theatre, and the State Theatre; amending Minnesota Statutes 1988, section 340A.404, subdivision 2"

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.

Mr. Bertram introduced—

S.F. No. 1100: A bill for an act relating to highways; providing for paving of road in town of Clearwater.

Referred to the Committee on Transportation.

Messrs. Solon; Dicklich; Johnson, D.J. and Gustafson introduced—

S.F. No. 1101: A bill for an act relating to St. Louis county; regulating budget procedures; providing for certain recorder's fees; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1988, sections 383C.01, 383C.011, 383C.012, 383C.013, 383C.014, 383C.015, 383C.016, 383C.017, 383C.018, and 383C.019.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 1102: A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Solon, Dicklich and Gustafson introduced—

S.F. No. 1103: A bill for an act relating to St. Louis county; allowing the county to assess the cost of maintenance of television relay service.

Referred to the Committee on Local and Urban Government.

Mr. Pogemiller introduced—

S.F. No. 1104: A bill for an act relating to probate; adopting the uniform anatomical gift act (1987); correcting cross-references; amending Minnesota Statutes 1988, sections 65B.44, subdivision 4; 171.07, subdivision 5; and 390.36; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1988, sections 525.921 to 525.93.

Referred to the Committee on Judiciary.

Mr. Langseth introduced—

S.F. No. 1105: A bill for an act relating to motor vehicles; providing for suspension of apportioned license plates and fuel tax compact licenses for certain interstate vehicle fleet owners who are delinquent in required filings or payments; providing for installment payments by interstate fleet owners; amending Minnesota Statutes 1988, sections 168.187, by adding a subdivision; and 168.31, subdivision 4, and by adding a subdivision.

Referred to the Committee on Transportation.

Mses. Piper and Reichgott introduced—

S.F. No. 1106: A bill for an act relating to adoption; changing the minimum age at which an adopted person may request original birth certificate information; changing time periods during which birth parents may consent to disclosure; authorizing disclosure of information on the consenting parent when only one birth parent consents; amending Minnesota Statutes 1988, section 259.49, subdivisions 1, 2, and 4.

Referred to the Committee on Judiciary.

Mr. Solon, Mrs. McQuaid, Messrs. Kroening, Luther and Metzen introduced—

S.F. No. 1107: A bill for an act relating to insurance; accident and health; regulating coverage for dental procedures; amending Minnesota Statutes 1988, section 62A.043, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Dicklich, Kroening and Morse introduced—

S.F. No. 1108: A bill for an act relating to housing; creating a housing initiative grant program; appropriating money; amending Minnesota Statutes 1988, sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Mr. Solon introduced—

S.F. No. 1109: A bill for an act relating to insurance; accident and health; clarifying certification of nurses in advanced nursing practice for purposes of payment of insurance benefits; amending Minnesota Statutes 1988, section 62A.15, subdivision 3a.

Referred to the Committee on Commerce.

Mr. Renneke introduced—

S.F. No. 1110: A bill for an act relating to utilities; providing that the seven-county metropolitan area comprise one local telephone service area for the purpose of determining local telephone service rates; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Public Utilities and Energy.



Messrs. Purfeerst; Peterson, R.W.; Pogemiller; Pehler and Mehrkens introduced—

S.F. No. 1111: A bill for an act relating to education; imposing educational conditions on juveniles to enroll in driver's education courses and to receive driver's permits and licenses; amending Minnesota Statutes 1988, sections 171.04; 171.05, by adding a subdivision; and 171.18; proposing coding for new law in Minnesota Statutes, chapters 126 and 171.

Referred to the Committee on Education.

Mr. Pehler, Ms. Piper, Messrs. DeCramer, Frank and Larson introduced—

S.F. No. 1112: A bill for an act relating to taxation; exempting certain capital equipment used in the printing industry from the sales and use tax; amending Minnesota Statutes 1988, section 297A.25, subdivision 10, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler, Ms. Piper, Messrs. DeCramer, Frank and Larson introduced—

S.F. No. 1113: A bill for an act relating to taxation; exempting certain printed materials from the sales tax; amending Minnesota Statutes 1988, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Lessard introduced—

S.F. No. 1114: A bill for an act relating to exotic species of plants and animals; establishing an interagency task force.

Referred to the Committee on Environment and Natural Resources.

Mr. Lessard introduced—

S.F. No. 1115: A bill for an act relating to economic development; establishing a cold weather resource center at International Falls; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 116Q.

Referred to the Committee on Economic Development and Housing.

Ms. Piper introduced—

S.F. No. 1116: A bill for an act relating to retirement; Albert Lea police pensions and disability benefits.

Referred to the Committee on Governmental Operations.

Messrs. Anderson, Benson, Mrs. Pariseau, Messrs. Bernhagen and Decker introduced—

S.F. No. 1117: A bill for an act relating to taxation; repealing accelerated payment of June sales tax liability; modifying local government aid payment dates; modifying school aid payment schedules so that 90 percent of aid entitlements are paid in the current year; appropriating money; amending Minnesota Statutes 1988, sections 124.195, subdivisions 7 and 10; 297A.27,

subdivision 1; 477A.015; repealing Minnesota Statutes 1988, section 297A.275.

Referred to the Committee on Education.

Messrs. Pehler; Langseth; Frederickson, D.J.; Morse and Dicklich introduced—

S.F. No. 1118: A bill for an act relating to education; establishing powers and duties of the Minnesota Academic Excellence Foundation; appropriating money; amending Minnesota Statutes 1988, section 121.612; repealing Laws 1988, chapter 718, article 5, section 4.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 1119: A bill for an act relating to taxation; exempting public parking facilities; amending Minnesota Statutes 1988, sections 272.01, subdivision 2; 459.14, by adding a subdivision; 469.012, by adding a subdivision; and 469.040, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Solon introduced—

S.F. No. 1120: A bill for an act relating to economic development; providing for funding to the Minnesota marketplace program; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Chmielewski introduced—

S.F. No. 1121: A bill for an act relating to occupations and professions; regulating unlicensed mental health service providers; appropriating money; amending Minnesota Statutes 1988, sections 148B.01, subdivision 5; 148B.40, by adding a subdivision; 148B.41; 148B.42; 148B.44, subdivision 1; 148B.45, subdivision 1; 148B.46, subdivision 1; and 148B.48; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1988, section 148B.43.

Referred to the Committee on Health and Human Services.

Messrs. Chmielewski and Hughes introduced—

S.F. No. 1122: A bill for an act relating to workers' compensation; limiting the payment of temporary partial benefits under certain circumstances; amending Minnesota Statutes 1988, section 176.101, subdivision 2.

Referred to the Committee on Employment.

Messrs. Solon, Cohen, Purfeerst, Belanger and Metzen introduced—

S.F. No. 1123: A bill for an act relating to commerce; industrial loan and thrift companies; regulating lending practices; prescribing the qualifications of the directors of certain companies; regulating the lending practices of regulated lenders; specifying the loan fees and charges that may be imposed by regulated lenders; regulating delinquency and collection charges

on retail installment contracts; regulating mortgage foreclosure notices; amending Minnesota Statutes 1988, sections 53.04, subdivision 3a, and by adding a subdivision; 53.06; 56.12; 56.131, subdivisions 1, 2, and 6; 56.14; 168.71; and 580.03.

Referred to the Committee on Commerce.

Messrs. Pogemiller; Freeman; Frederickson, D.J.; Waldorf and Renneke introduced—

S.F. No. 1124: 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 1988, sections 11A.01; 11A.04; 11A.07, subdivision 4; 11A.09; 11A.13, subdivision 1; 69.77, subdivision 2g; 69.775; 136.84; 352.03, subdivision 7; 352.92, by adding a subdivision; 352.96, subdivision 3; 352B.03, subdivision 1; 352C.091, subdivision 1; 352D.09, subdivision 1; 353.03, subdivision 1; 354.06, subdivision 1; 354A.021, subdivision 6; 422A.05, subdivisions 2a and 2d; 423.374; 423.45; 423.805; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.04, subdivision 2; and 490.122; proposing coding for new law in Minnesota Statutes, chapters 3A and 490; proposing coding for new law as Minnesota Statutes, chapter 356A.

Referred to the Committee on Governmental Operations.

Messrs. Davis and Morse introduced—

S.F. No. 1125: A bill for an act relating to agriculture: developing a portable computerized system adapting fertilization rates to soil characteristics; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Anderson, Vickerman, Decker, Gustafson and Mehrkens introduced—

S.F. No. 1126: A bill for an act relating to drivers' licenses; providing for living will designation on driver's license; amending Minnesota Statutes 1988, sections 171.06, subdivision 3; and 171.07, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Johnson, D.E. and Larson introduced—

S.F. No. 1127: A bill for an act relating to conservation; authorizing state cost-sharing for replanting of certain trees; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.E. introduced—

S.F. No. 1128: A bill for an act relating to gambling; establishing a compulsive gambling fund with one-fourth of one percent of all revenues from taxes imposed on charitable gambling; directing the commissioner of human services to establish a program of assistance to compulsive gamblers and their families; amending Minnesota Statutes 1988, section 349.212, subdivisions 2 and 4; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1129: A bill for an act relating to natural resources; requiring written notice to the commissioner of natural resources of the vacation of roads, highways, streets, alleys, and similar public grounds that terminate at or abut upon any public water; amending Minnesota Statutes 1988, sections 161.16, subdivision 6; 163.11, by adding a subdivision; 164.07, subdivision 2; 412.851; 440.13; 440.135, subdivision 2; and 505.14.

Referred to the Committee on Environment and Natural Resources.

Messrs. Anderson; Knaak; Storm; Johnson, D.E. and McGowan introduced—

S.F. No. 1130: A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States to provide for a delay in an increase in compensation to members of Congress until an intervening election of representatives has occurred.

Referred to the Committee on Governmental Operations.

Messrs. Moe, D.M.; Renneke and Waldorf introduced—

S.F. No. 1131: A bill for an act relating to retirement; Minnesota state retirement system; administrative and operational changes in the governing law; establishing an appeal procedure; amending Minnesota Statutes 1988, sections 352.01, subdivision 11; 352.021, subdivision 5; 352.03, subdivision 11; 352.116, subdivision 3; 352.22, subdivisions 1 and 2a; 352.93, subdivision 3; 352B.08, subdivision 3; 352B.10, subdivision 5; 352B.11, subdivision 2; 352D.06, subdivision 1; and 352D.075, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 352; repealing Minnesota Statutes 1988, sections 352.03, subdivision 13; and 352.73, subdivision 3.

Referred to the Committee on Governmental Operations.

Mrs. Pariseau introduced—

S.F. No. 1132: 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.

Messrs. Solon, Metzen, Benson, Mrs. McQuaid and Mr. Luther introduced—

S.F. No. 1133: A bill for an act relating to financial institutions; industrial loan and thrifts; regulating capital stock and surplus requirements; regulating the publication of application notices; imposing a residency requirement on directors of certain companies; imposing special dividend conditions for deposit companies; amending Minnesota Statutes 1988, sections 53.015; 53.02; 53.03, subdivisions 1 and 5; 53.05; 53.06; 53.08; and 53.09, subdivision 3.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 1134: A bill for an act relating to human services: amending general assistance and work readiness programs for people who are functionally illiterate; amending Minnesota Statutes 1988, sections 256D.05, subdivision 1; 256D.051, subdivisions 1, 2, 3, and 6a; and 256D.052.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1135: A bill for an act relating to public health: limiting the sale of certain kinds of products; requiring warning signs; prescribing penalties; amending Minnesota Statutes 1988, sections 145.38, subdivision 1; and 145.39, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1136: A bill for an act relating to health and human services: requiring the commissioner of health to distribute information on toxic substances; requiring the commissioner of human services to establish an inhalant abuse demonstration project; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 145 and 254A.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1137: A bill for an act relating to health: establishing a blood lead level screening program for children; requiring local health boards to conduct environmental inspections; providing subsidized lead abatement services; requiring a report on soil and blood lead; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Metzen and Laidig introduced—

S.F. No. 1138: A bill for an act relating to local government: permitting the Dakota and Washington county housing and redevelopment authorities to waive performance bonds for single family housing construction; amending Laws 1971, chapter 333; and Laws 1974, chapter 475.

Referred to the Committee on Economic Development and Housing.

Mr. Vickerman, Ms. Berglin, Messrs. Moe, D.M.; Storm and Solon introduced—

S.F. No. 1139: A bill for an act relating to occupations and professions: providing that psychologists licensed by the board of psychology and competent in the area may practice marriage and family therapy and present themselves to the public as marriage and family therapists without being licensed by the board of marriage and family therapy examiners; amending Minnesota Statutes 1988, section 148B.32, subdivisions 1 and 2.

Referred to the Committee on Health and Human Services.

Messrs. Ramstad and Luther introduced—

S.F. No. 1140: A bill for an act relating to insurance; requiring notice before changes in beneficiaries, or changes and cancellations in coverages; amending Minnesota Statutes 1988, sections 61A.12, subdivision 4; 65B.15, subdivision 2, and by adding a subdivision; and 65B.43, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 72A.

Referred to the Committee on Commerce.

Mr. Johnson, D.E. introduced—

S.F. No. 1141: A bill for an act relating to charitable gambling; authorizing tax credits and tax refunds for contributions made by licensed organizations to certain qualifying lawful purposes; appropriating money; amending Minnesota Statutes 1988, section 349.12, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Pehler introduced—

S.F. No. 1142: A bill for an act relating to claims; appropriating money for payment of a certain World War II veteran's bonus claim.

Referred to the Committee on Finance.

Mr. Davis introduced—

S.F. No. 1143: A bill for an act relating to the environment; regulating genetic engineering; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Environment and Natural Resources.

Mr. Frank introduced—

S.F. No. 1144: A bill for an act relating to Anoka county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

Referred to the Committee on Local and Urban Government.

Mr. Peterson, R.W. introduced—

S.F. No. 1145: A bill for an act relating to the education code; revising the text of certain chapters of the code without changing their meaning; amending Minnesota Statutes 1988, chapters 128; 128A; 128B; and 129; repealing Minnesota Statutes 1988, sections 128.04; 128.06; 128.069; 128A.04; 129.02; and 129.05 to 129.10.

Referred to the Committee on Education.

Messrs. Morse and Renneke introduced—

S.F. No. 1146: A bill for an act relating to retirement; permitting repayment of refunds received from the judges' retirement fund; amending Minnesota Statutes 1988, section 490.124, subdivision 12.

Referred to the Committee on Governmental Operations.

Mr. Morse introduced—

S.F. No. 1147: A bill for an act relating to education; authorizing transportation aid for pupils who are custodial parents and their children; appropriating money; amending Minnesota Statutes 1988, section 124.223.

Referred to the Committee on Education.

Messrs. Morse, Waldorf, Decker and Pehler introduced—

S.F. No. 1148: A bill for an act relating to retirement; individual retirement account plan; providing that members of the plan are members of the teachers retirement association for purposes of social security coverage; changing the effective date of the plan; amending Minnesota Statutes 1988, sections 354.05, subdivisions 2a and 5; 354.66, subdivision 2; 354B.02; 354B.04, subdivision 2; and 354B.05, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 354B.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Pehler, Decker and Waldorf introduced—

S.F. No. 1149: A bill for an act relating to retirement; state university and community college faculty; authorizing collective bargaining for matching employer contributions to the supplemental retirement plan instead of the Minnesota deferred compensation plan; amending Minnesota Statutes 1988, sections 136.80, subdivision 1; 136.81, subdivision 1; and 356.24.

Referred to the Committee on Governmental Operations.

Mr. Luther and Ms. Reichgott introduced—

S.F. No. 1150: A bill for an act relating to creditors remedies; regulating executions and garnishments; amending Minnesota Statutes 1988, section 550.142; proposing coding for new law in Minnesota Statutes, chapters 550 and 557; proposing coding for new law as Minnesota Statutes, chapter 551; repealing Minnesota Statutes 1988, sections 550.041; 550.05; 550.14; 550.141; 571.41; 571.42; 571.43; 571.44; 571.45; 571.46; 571.471; 571.495; 571.50; 571.51; 571.52; 571.53; 571.54; 571.55; 571.56; 571.57; 571.58; 571.59; 571.60; 571.61; 571.62; 571.63; 571.64; 571.65; 571.66; 571.67; 571.68; and 571.69.

Referred to the Committee on Judiciary.

Mr. Metzen, Ms. Reichgott and Mr. Novak introduced—

S.F. No. 1151: A bill for an act relating to tax increment financing; excluding certain levies in the computation of tax increment revenues; amending Minnesota Statutes 1988, section 469.177, subdivisions 1a, as amended, and 9.

Referred to the Committee on Economic Development and Housing.

Mr. Solon introduced—

S.F. No. 1152: A bill for an act relating to capital improvements; appropriating money for the Lake Superior Zoological Gardens; providing for the issuance of state building bonds.

Referred to the Committee on Finance.

Messrs. Chmielewski, Larson, Frank, Knaak and Brandl introduced—

S.F. No. 1153: A bill for an act relating to taxation; property tax; allowing cities and counties to adopt a two-rate tax structure; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin introduced—

S.F. No. 1154: A bill for an act relating to health; requiring a fee for an application for a home care provider license; authorizing the commissioner to seek injunctive relief and use subpoenas in regulating home care providers; imposing requirements for disclosure of criminal convictions by home care providers; imposing a penalty for providing home care without a license; requiring public members in the mortuary science advisory council; allowing use of a trainee's name in the advertising or title of a funeral establishment; establishing a hearing instrument security fund; establishing a human services occupational account; amending Minnesota Statutes 1988, sections 144A.45, subdivision 2; 144A.46; 149.02; 149.06; and 153A.13, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 145; and 214; repealing Minnesota Statutes 1988, section 153A.16.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1155: A bill for an act relating to education; authorizing the issuance of state bonds; appropriating money for the desegregation capital improvement grant act; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Finance.

Messrs. Chmielewski and Waldorf introduced—

S.F. No. 1156: A bill for an act relating to waters; prohibiting appropriation or use for once-through cooling or heating systems; proposing coding for new law in Minnesota Statutes, chapter 105.

Referred to the Committee on Environment and Natural Resources.

Messrs. DeCramer, Stumpf, Hughes, Bernhagen and Mehrkens introduced—

S.F. No. 1157: A bill for an act relating to education; changing the name of technical institutes to technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivision 2.

Referred to the Committee on Education.

Messrs. Laidig and Merriam introduced—

S.F. No. 1158: A resolution memorializing the Minnesota District Judges Association to set suggested fines and sentences for littering that reflect the resulting environmental damage and costs of cleanup.

Referred to the Committee on Environment and Natural Resources.



Mr. Davis introduced—

S.F. No. 1159: A bill for an act relating to agriculture; funding pseudorabies research and pseudorabies control; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Mr. Davis, by request introduced—

S.F. No. 1160: A bill for an act relating to agriculture; repealing a provision that sellers of grain may require that multiple loads delivered within two days be averaged; repealing Minnesota Statutes 1988, section 17B.048.

Referred to the Committee on Agriculture and Rural Development.

Mrs. Lantry introduced—

S.F. No. 1161: A bill for an act relating to metropolitan transit; changing the responsibilities of the regional transit board and metropolitan council; altering the membership of the transit board and transit commission; eliminating certain restrictions on the council, the board, and the commission; abolishing regional rail authorities in the metropolitan area; amending Minnesota Statutes 1988, sections 473.169, subdivision 7; 473.373, subdivisions 1, 1a, 4, 5, and by adding a subdivision; 473.375, subdivisions 1, 6, 8, 11, 13, 16, and 17; 473.38, subdivision 2; 473.382; 473.384, subdivisions 1, 3, 4, 5, 6, and 7; 473.386, subdivision 2; 473.387, subdivision 4; 473.388, subdivisions 2 and 4; 473.392; 473.404, subdivisions 2, 3, 6, and 7; 473.436, subdivisions 6 and 7; 473.446, subdivisions 1, 1a, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 398A; repealing Minnesota Statutes 1988, sections 473.1691; 473.17; 473.373, subdivision 6; 473.375, subdivisions 2, 4, 5, and 7; 473.38, subdivisions 1, 3, and 4; 473.394; and 473.398.

Referred to the Committee on Transportation.

Mr. Vickerman introduced—

S.F. No. 1162: A bill for an act relating to drivers' licenses; providing that court administrators forward driver's license or permit applications and fees to the department of public safety by the next working day; requiring commissioner of public safety to conduct background study on applicant for school bus endorsement; amending Minnesota Statutes 1988, sections 171.06, subdivision 4; and 171.321, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Waldorf introduced—

S.F. No. 1163: A bill for an act relating to human services; requiring proposals for decreasing the size of intermediate care facilities for persons with mental retardation; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Mr. Brandl, Ms. Piper, Mrs. Lantry and Mr. Knutson introduced—

S.F. No. 1164: A bill for an act relating to human services; requiring a pilot project for subsidies to certain persons with case management training;

appropriating money; amending Minnesota Statutes 1988, section 252.32, by adding a subdivision.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1165: A bill for an act relating to commerce; motor fuel franchises; regulating franchise agreements; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 80C.

Referred to the Committee on Commerce.

Mr. Frank introduced—

S.F. No. 1166: A bill for an act relating to professional hockey games; imposing a civil penalty on team owners for player fights; proposing coding for new law as Minnesota Statutes, chapter 341A.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Frederickson, D.J.; Vickerman; Mrs. Adkins, Messrs. Renneke and Johnson, D.E. introduced—

S.F. No. 1167: A bill for an act relating to local government; permitting cities and towns to contribute to certain hospitals; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Local and Urban Government.

Mr. Luther, Ms. Peterson, D.C.; Messrs. Solon and Freeman introduced—

S.F. No. 1168: A bill for an act relating to insurance; requiring insurers to pay the insured's deductible first when recovering from an uninsured motorist under a subrogation claim; amending Minnesota Statutes 1988, section 72A.201, subdivision 6.

Referred to the Committee on Commerce.

Mr. Luther, Ms. Peterson, D.C.; Messrs. Solon and Freeman introduced—

S.F. No. 1169: A bill for an act relating to insurance; prohibiting insurance companies from terminating agents who contact the commerce department; amending Minnesota Statutes 1988, section 72A.20, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Luther and Cohen introduced—

S.F. No. 1170: A bill for an act relating to insurance; property and casualty; regulating rates, trade practices, and claims settlement practices; eliminating the bond requirement for notary publics; providing remedies; prescribing a penalty; amending Minnesota Statutes 1988, sections 70A.01, subdivision 2; 70A.04, subdivision 2; 70A.05; 70A.06, subdivision 1; 70A.07; 70A.19; 70A.21, subdivision 3; 72A.20, by adding a subdivision; 72A.201, by adding a subdivision; 359.02; and 359.071; proposing coding for new law in Minnesota Statutes, chapters 70A; and 72A; repealing Minnesota

Statutes 1988, sections 70A.10; and 70A.21, subdivision 2.

Referred to the Committee on Commerce.

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

S.F. No. 1171: A bill for an act relating to insurance; life and health; regulating policy and contract provisions, coverages, certain cost-containment mechanisms, cancellations and nonrenewals, trade and marketing practices, and remedies in these and other lines; making technical changes; amending Minnesota Statutes 1988, sections 45.025, subdivision 8; 45.027, subdivision 7; 45.028, subdivision 1; 61A.011, subdivision 1; 61A.092, subdivision 3; 61B.03, subdivision 6; 62A.01; 62A.041; 62A.08; 62A.09; 62A.17, subdivision 2; 62A.46, by adding a subdivision; 62A.48, subdivision 1; 62B.01; 62B.04, subdivision 1; 62D.12, by adding a subdivision; 62E.06, subdivision 1; 72A.20, subdivision 15, and by adding subdivisions; 72A.325; and 149.11; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 65A; and 72A; repealing Minnesota Statutes 1988, sections 60A.23, subdivision 7; and 72A.13, subdivision 2.

Referred to the Committee on Commerce.

Ms. Peterson, D.C. introduced—

S.F. No. 1172: A bill for an act relating to insurance; trade practices; regulating penalties and remedies; amending Minnesota Statutes 1988, sections 8.31, subdivision 3a; and 72A.201, subdivision 1.

Referred to the Committee on Commerce.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 22, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, March 22, 1989

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

Prayer was offered by the Chaplain, Sister Charlotte Ann Le Claire.

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

Adkins	Cohen	Johnson, D.E.	McGowan	Piper
Anderson	Dahl	Johnson, D.J.	McQuaid	Pogemiller
Beckman	Davis	Knaak	Merriam	Purleerst
Belanger	Decker	Knutson	Moe, D.M.	Reichgott
Benson	DeCramer	Kroening	Moe, R.D.	Renneke
Berg	Dicklich	Laidig	Morse	Schmitz
Berglin	Diessner	Langseth	Novak	Solon
Bernhagen	Frank	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pariseau	Storm
Brandl	Frederickson, D.R.	Lessard	Pehler	Stumpf
Brataas	Freeman	Luther	Peterson, D.C.	Vickerman
Chmielewski	Hughes	Marty	Peterson, R.W.	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

Messrs. Frederick, Gustafson, Mehrkens, Metzén, Ramstad, Samuelson and Taylor were excused from the Session of today. Mr. Frederickson, D.J. was excused from the Session of today from 12:00 to 12:24 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 17, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
	267	11	0840 hours March 17	March 17
644		12	1330 hours March 17	March 17

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. 149.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 214:

H.F. No. 214: A bill for an act relating to taxation: making technical corrections and clarifications to individual income and corporate franchise taxes; updating references to the Internal Revenue Code; imposing a tax and providing for withholding of certain payments to nonresidents; requiring surety payment by out-of-state contractors; amending Minnesota Statutes 1988, sections 290.01, subdivisions 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 19f; 290.06, subdivision 22; 290.067, subdivision 1; 290.0802, subdivisions 1 and 2; 290.095, subdivision 9; 290.17, subdivisions 1 and 2; 290.311, subdivision 1; 290.92, by adding subdivisions; and 291.005, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1988, section 290.01, subdivision 6a.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Welle, Long and Schreiber have been appointed as such committee on the part of the House.

House File No. 214 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 20, 1989

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 214, 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 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. 156: A bill for an act relating to gambling; authorizing the governor to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3.

There has been appointed as such committee on the part of the House: Kostohryz, Quinn and Kelso.

Senate File No. 156 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1989

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 100, 942, 1115, 128, 695, 819 and 46.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 20, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 100: A bill for an act relating to state government; regulating part-time employees and employment policies; amending Minnesota Statutes 1988, sections 16A.11, subdivision 3; and 43A.24, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1988, section 43A.25.

Referred to the Committee on Governmental Operations.

H.F. No. 942: A bill for an act relating to metropolitan government; extending the responsibility of the mosquito control district to disease vectoring ticks; amending Minnesota Statutes 1988, sections 473.702; 473.704; and 473.711, subdivision 2.

Referred to the Committee on Local and Urban Government.

H.F. No. 1115: A bill for an act relating to Dakota county; permitting the county to pay costs of a morgue; proposing coding for new law in Minnesota Statutes, chapter 383D.

Referred to the Committee on Local and Urban Government.

H.F. No. 128: A bill for an act relating to local government; delaying the effective date of the historical society levy for Chisago, Kanabec, Pine, and Carlton counties; amending Laws 1988, chapter 640, section 4.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 695: A bill for an act relating to education; reducing the Askov school board from seven to six members; requiring local approval.

Referred to the Committee on Education.

H.F. No. 819: A bill for an act relating to Hennepin county; providing for the number of commissioners of the county housing and redevelopment authority; amending Minnesota Statutes 1988, section 383B.77, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

H.F. No. 46: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; providing for deficiencies in and supplementing appropriations for the expenses of state government; authorizing issuance of state bonds; providing for the maximum effort school loan program and the cooperative secondary facilities grant program; clarifying the definition of mental health service provider and providing for a fee for the providers; clarifying requirements of manufactured home parks in certain cases; reducing certain bond sales authorizations; distributing the proceeds of certain litigation; increasing authorizations for certain state transportation bonds; increasing the allocation for bridges to political subdivisions; providing for certain adjustment grants; approving a capital loan; appropriating money; amending Minnesota Statutes 1988, sections 116.18, subdivision 3d; 124.477; 124.493, subdivision 1; 124.494, subdivisions 1, 2, and 4; 124.495; 129B.72, subdivision 2, and by adding a subdivision; 129B.73, subdivision 4, and by adding a subdivision; 148B.40, subdivision 3; 148B.42, by adding a subdivision; 327.20, subdivision 1; and Laws 1979, chapter 280, sections 1 and 2, as amended; proposing coding for new law in Minnesota Statutes, chapter 129B; repealing Laws 1987, chapter 400, section 59, as amended; and Laws 1988, chapter 686, article 1, section 37, subdivision 10.

Mr. Moe, R.D. moved that H.F. No. 46 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, with the exception of the reports on S.F. Nos. 711, 14 and reports pertaining to appointments. The motion prevailed.

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

S.F. No. 328: A bill for an act relating to agriculturally derived ethyl alcohol; clarifying eligibility for producer payments; defining terms; amending Minnesota Statutes 1988, section 41A.09, subdivisions 2 and 3.

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

Page 1, delete lines 19 to 23

Page 1, line 24, delete "(c)" and insert "(b)"

Page 1, line 25, delete "70" and insert "50"

Page 2, line 1, delete everything after "*percent*" and insert a period

Page 2, delete lines 2 and 3

Page 2, line 8, delete ". *diesel supplement alcohol*,"

Page 2, line 9, strike ". for use as a motor fuel,"

Page 2, line 17, strike "For each gallon produced of" and delete "*diesel*"

Page 2, line 18, delete "*supplement*" and strike "alcohol"

Page 2, line 20, strike "for the"

Page 2, line 21, strike "period" and strike everything after the stricken "and"

Page 2, strike line 22

Page 2, line 23, delete the paragraph coding and delete "(c)"

Page 2, line 31, before the first "The" insert "(c)"

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. 27: A bill for an act relating to education: requiring the student member of the board of regents to be a student at the time of election; amending Minnesota Statutes 1988, section 137.023.

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

Page 1, line 18, strike "serve for a six-year term"

Page 1, line 19, strike "and"

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. 711: A bill for an act relating to Ramsey county; authorizing the use of certain property for public purposes.

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

Page 1, line 8, delete "*any*" and insert "*a*" and delete "*purpose*" and insert "*library*"

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

H.F. No. 279: A bill for an act relating to local government: permitting bank letters of credit in lieu of certain bonds; proposing coding for new law in Minnesota Statutes, chapter 574.



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

Page 1, line 9, after "*work*" insert "*project of under \$50,000*"

Page 1, line 11, after "*may*" insert "*be permitted to*"

Amend the title as follows:

Page 1, line 3, delete "certain" and before the semicolon, insert "in certain public work projects"

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. 695: A bill for an act relating to education; requiring school boards to report certain teacher discharges and resignations to the board of teaching; providing for immunity from liability; amending Minnesota Statutes 1988, section 125.09, by adding subdivisions.

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

Page 1, line 11, delete "*state*"

Page 1, line 15, delete "*subdivision*" and insert "*subdivisions 4 and*"

Page 1, line 18, delete "*, or*" and insert a semicolon

Page 1, line 19, delete "*subdivision*" and insert "*subdivisions 4 and*" and delete "*, or when it is obligated to report child*" and insert a semicolon

Page 1, delete line 20 and insert "*or 626.556*"

Page 1, line 21, delete "*3*"

Page 1, line 22, delete "*or the report under*"

Page 1, line 23, delete everything before the period

Page 2, line 8, after the period, insert "*The board or a person granted immunity under this subdivision prevailing in a civil action arising from the report or cooperation may recover attorney fees and costs.*"

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. 14: A bill for an act relating to crimes; lowering maximum allowable alcohol concentration to 0.05 for crimes involving driving while intoxicated; amending Minnesota Statutes 1988, sections 84.911, subdivision 1; 169.121, subdivisions 1 and 2; 169.123, subdivisions 2, 4, 5a, and 6; 169.129; 192A.555; 361.12, subdivision 4; 361.121, subdivision 1; and 609.21, subdivisions 1, 2, 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 1988, section 84.911, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY CHEMICAL TESTING.] A person who operates or is in physical control of a snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state is required, subject to the provisions of this section, to take or submit to a test of the person's blood, breath, or urine for the purpose of determining the presence and amount of alcohol or a controlled substance. The test shall be administered at the direction of an officer authorized to make arrests under section 84.91, subdivision 2. Taking or submitting to the test is mandatory when requested by an officer who has probable cause to believe the person was operating or in physical control of a snowmobile or all-terrain vehicle in violation of section 84.91, subdivision 1, paragraph (a), and one of the following conditions exists:

(1) the person has been lawfully placed under arrest for violating section 84.91, subdivision 1, paragraph (a);

(2) the person has been involved while operating a snowmobile or all-terrain vehicle in an accident resulting in property damage, personal injury, or death;

(3) the person has refused to take the preliminary screening test provided for in section 84.91, subdivision 3; or

(4) the screening test was administered and recorded an alcohol concentration of ~~0.10~~ 0.08 or more.

Sec. 2. Minnesota Statutes 1988, section 169.121, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a misdemeanor for any person to drive, operate, or be in physical control of any motor vehicle within this state or upon the ice of any boundary water of this state:

(a) when the person is under the influence of alcohol;

(b) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(c) when the person is under the influence of a combination of any two or more of the elements named in clauses (a), (b), and (f);

(d) when the person's alcohol concentration is ~~0.10~~ 0.08 or more;

(e) when the person's alcohol concentration as measured within two hours of the time of driving is ~~0.10~~ 0.08 or more; or

(f) when the person is knowingly under the influence of any chemical compound or combination of chemical compounds that is listed as a hazardous substance in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the motor vehicle.

Sec. 3. Minnesota Statutes 1988, section 169.121, subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of a motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

For the purposes of this subdivision:

(a) evidence that there was at the time an alcohol concentration of 0.05 or less is prima facie evidence that the person was not under the influence of alcohol;

(b) evidence that there was at the time an alcohol concentration of more than 0.05 and less than ~~0.10~~ 0.08 is relevant evidence in indicating whether or not the person was under the influence of alcohol.

Evidence of the refusal to take a test is admissible into evidence in a prosecution under this section or an ordinance in conformity with it.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, clause (e), that the defendant consumed a sufficient quantity of alcohol after the time of actual driving, operating, or physical control of a motor vehicle and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed ~~0.10~~ 0.08. Provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 169.123, subdivision 2b, paragraph (b).

Sec. 4. Minnesota Statutes 1988, section 169.123, subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or upon the ice of any boundary water of this state consents, subject to the provisions of this section and section 169.121, to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist: (1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity with it; or (2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death; or (3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or (4) the screening test was administered and recorded an alcohol concentration of ~~0.10~~ 0.08 or more.

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine if the person is under the influence of alcohol or a controlled substance;

(2) that if testing is refused, the person's right to drive will be revoked for a minimum period of one year or, if the person is under the age of 18 years, for a period of one year or until the person reaches the age of 18 years, whichever is greater;

(3) that if a test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and the person's right to drive may be revoked for a minimum period of 90 days or, if the person is under the age of 18 years, for a period of six months or until the person reaches the age of 18 years, whichever is greater;

(4) that after submitting to testing, the person has the right to consult with an attorney and to have additional tests made by someone of the person's own choosing; and

(5) that if the person refuses to take a test, the refusal will be offered into evidence against the person at trial.

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. Action may be taken against a person who refuses to take a blood test only if an alternative test was offered and action may be taken against a person who refuses to take a urine test only if an alternative test was offered.

Sec. 5. Minnesota Statutes 1988, section 169.123, subdivision 4, is amended to read:

Subd. 4. [REFUSAL; REVOCATION OF LICENSE.] If a person refuses to permit a test, none shall be given, but the peace officer shall report the refusal to the commissioner of public safety and the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. A refusal to submit to an alcohol concentration test does not constitute a violation of section 609.50, unless the refusal was accompanied by force or violence or the threat of force or violence. If a person submits to a test and the test results indicate an alcohol concentration of ~~0.10~~ 0.08 or more, the results of the test shall be reported to the commissioner of public safety and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred.

Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person refused to submit to a test, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year. If the person refusing to submit to testing is under the age of 18 years, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year or until the person reaches the age of 18 years, whichever is greater. Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person submitted to a test and the test results indicate an alcohol concentration of ~~0.10~~ 0.08 or more, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of 90 days or, if the person is under the age of 18 years, for a period of six months or until the person reaches the age of 18 years, whichever is greater.

If the person is a resident without a license or permit to operate a motor vehicle in this state, the commissioner of public safety shall deny to the person the issuance of a license or permit for the same period after the

date of the alleged violation as provided herein for revocation, subject to review as hereinafter provided.

Sec. 6. Minnesota Statutes 1988, section 169.123, subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION.] On behalf of the commissioner of public safety a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of ~~0.10~~ 0.08 or more. The officer shall take the license or permit of the driver, if any, and issue a temporary license effective only for seven days. The peace officer shall send the person's driver's license to the commissioner of public safety along with the certificate required by subdivision 4.

Sec. 7. Minnesota Statutes 1988, section 169.123, subdivision 6, is amended to read:

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in any county in the judicial district where the alleged offense occurred. The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pretrial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety shall appear and be represented by the attorney general or through the prosecuting authority for the jurisdiction involved.

The hearing shall be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with the provisions of this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the county courts within the judicial district.

The scope of the hearing shall be limited to the issues of:

(1) whether the peace officer had probable cause to believe the person was driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance, and whether the person was lawfully placed under arrest for violation of section 169.121, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of ~~0.10~~ 0.08 or more; and

(2) whether at the time of the request for the test the peace officer informed the person of the person's rights and the consequences of taking or refusing the test as required by subdivision 2; and

(3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of ~~0.10~~ 0.08 or more at the time of testing, and whether the testing method used was valid and reliable, and whether the test results were accurately evaluated.

It shall be an affirmative defense for the petitioner to prove that, at the time of the refusal, the petitioner's refusal to permit the test was based

upon reasonable grounds.

Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses and certificates shall be admissible as substantive evidence.

The court shall order either that the revocation be rescinded or sustained and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing. If the revocation is sustained, the court shall also forward the person's driver's license or permit to the commissioner of public safety for further action by the commissioner of public safety if the license or permit is not already in the commissioner's possession.

Sec. 8. Minnesota Statutes 1988, section 169.129, is amended to read:  
169.129 [AGGRAVATED VIOLATIONS: PENALTY.]

Any person who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's driver's license or driver's privilege has been reinstated following its cancellation, suspension or revocation (1) because the person drove, operated, or was in physical control of a motor vehicle while under the influence of alcohol or a controlled substance or while the person had an alcohol concentration of ~~0.10~~ 0.08 or more or (2) because the person refused to take a test which determines the presence of alcohol or a controlled substance when requested to do so by a proper authority, is guilty of a gross misdemeanor. Jurisdiction over prosecutions under this section is in the county court.

Sec. 9. Minnesota Statutes 1988, section 192A.555, is amended to read:  
192A.555 [DRUNKEN OR RECKLESS DRIVING.]

Any person subject to this code who drives, operates or is in actual physical control of any vehicle or aircraft while under the influence of an alcoholic beverage or narcotic drug or a combination thereof or whose blood contains ~~0.10~~ 0.08 percent or more by weight of alcohol or who operates said vehicle or aircraft in a reckless or wanton manner, shall be punished as a court-martial may direct. Chemical and other tests for intoxication shall be made only in accordance with rules issued under this code.

Sec. 10. Minnesota Statutes 1988, section 361.12, subdivision 4, is amended to read:

Subd. 4. [EVIDENCE.] (a) Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for operating or being in physical control of any motorboat in violation of subdivision 1, paragraph (a), the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

(b) For the purposes of this subdivision:

(1) evidence that there was at the time an alcohol concentration of 0.05 or less is prima facie evidence that the person was not under the influence of alcohol;

(2) evidence that there was at the time an alcohol concentration of more than 0.05 and less than ~~0.10~~ 0.08 is relevant evidence in indicating whether

or not the person was under the influence of alcohol.

(c) Evidence of the refusal to take a preliminary screening test required under subdivision 3 or a chemical test required under section 361.121 is admissible into evidence in a prosecution under this section.

(d) This subdivision does not limit the introduction of any other competent evidence bearing upon the question whether or not the person violated this section, including results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample. A sample is adequate if the instrument analyzes the sample and does not indicate the sample is deficient.

Sec. 11. Minnesota Statutes 1988, section 361.121, subdivision 1, is amended to read:

Subdivision 1. [CHEMICAL TESTING.] A person who operates or is in physical control of a motorboat while underway or in use on the waters of this state is required, subject to the provisions of this section, to take or submit to a test of the person's blood, breath, or urine for the purpose of determining the presence and amount of alcohol or a controlled substance. The test shall be administered at the direction of an officer authorized to make arrests under section 361.12, subdivision 2. Taking or submitting to the test is mandatory when requested by an officer who has probable cause to believe the person was operating or in physical control of a motorboat in violation of section 361.12, subdivision 1, paragraph (a), and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violating section 361.12, subdivision 1, paragraph (a);

(2) the person has been involved in a motorboat accident resulting in property damage, personal injury, or death;

(3) the person has refused to take the preliminary screening test provided for in section 361.12, subdivision 3; or

(4) the screening test was administered and recorded an alcohol concentration of ~~0.10~~ 0.08 or more.

Sec. 12. Minnesota Statutes 1988, section 609.21, subdivision 1, is amended to read:

Subdivision 1. [RESULTING IN DEATH.] Whoever causes the death of a human being not constituting murder or manslaughter as a result of operating a vehicle as defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or

(3) in a negligent manner while having an alcohol concentration of ~~0.10~~ 0.08 or more,

is guilty of criminal vehicular operation resulting in death and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 13. Minnesota Statutes 1988, section 609.21, subdivision 2, is amended to read:

Subd. 2. [RESULTING IN INJURY.] Whoever causes great bodily harm to another, as defined in section 609.02, subdivision 8, not constituting attempted murder or assault as a result of operating a vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or
- (3) in a negligent manner while having an alcohol concentration of ~~0.10~~ 0.08 or more,

is guilty of criminal vehicular operation resulting in injury and may be sentenced to imprisonment for not more than three years or the payment of a fine of not more than \$5,000, or both.

Sec. 14. Minnesota Statutes 1988, section 609.21, subdivision 3, is amended to read:

Subd. 3. [RESULTING IN DEATH TO AN UNBORN CHILD.] Whoever causes the death of an unborn child as a result of operating a vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or
- (3) in a negligent manner while having an alcohol concentration of ~~0.10~~ 0.08 or more, is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Sec. 15. Minnesota Statutes 1988, section 609.21, subdivision 4, is amended to read:

Subd. 4. [RESULTING IN INJURY TO UNBORN CHILD.] Whoever causes great bodily harm, as defined in section 609.02, subdivision 8, to an unborn child who is subsequently born alive, as a result of operating a vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or
- (3) in a negligent manner while having an alcohol concentration of ~~0.10~~ 0.08 or more, is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Sec. 16. [EFFECTIVE DATE.]



*Sections 1 to 15 are effective August 1, 1989, and apply to crimes committed on or after that date."*

Amend the title as follows:

Page 1, line 3, delete "to 0.05"

And when so amended the bill do pass. Mr. Purfeerst 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 and Rural Development, to which was referred

S.F. No. 754: A bill for an act relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

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

Page 1, line 7, before "The" insert "*Notwithstanding contrary provisions of chapter 106A,*"

Page 1, line 8, after the second comma, insert "*and satisfy the corresponding drainage liens*"

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. 187: A bill for an act relating to manufactured homes; providing for notice and first option to purchase a manufactured home park by the residents; proposing coding for new law in Minnesota Statutes, chapter 327C.

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

Delete everything after the enacting clause and insert:

"Section 1. [327C.096] [RESIDENT'S RIGHT TO NOTICE AND FIRST OPTION TO PURCHASE.]

*Subdivision 1. [NOTICE OF SALE.] Before a park owner fully executes a sale of the park, the park owner shall provide 30 days' written notice to the residents of the cash price of the park. For purposes of this section, "cash price" means the cash price offer or equivalent cash offer as defined in section 500.24, subdivision 6, paragraph (d). The notice must inform the residents of the first option to purchase the park under subdivision 2. The notice must be sent by first class mail to each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 30 days after it begins.*

*Subd. 2. [FIRST OPTION TO PURCHASE.] During the notice period required by subdivision 1, a cooperative association formed under chapter 308 by a majority of the owners of manufactured homes who are renting lots in the park on the first day of the notice period has the first option to purchase the manufactured home park. The first option to purchase*

created by this section can be exercised by the residents forming a cooperative association and sending a notice to the park owner that the cooperative association accepts the offer to purchase the park at the cash price identified in the notice required under subdivision 1. The written exercise of the option to purchase must be received by the park owner by first class mail, within the notice period prescribed in subdivision 1.

*Subd. 3. [RIGHT TO PURCHASE.] (a) The residents' cooperative association shall execute a purchase agreement with the park owner during the notice period required by subdivision 1 and pay a deposit equal to one percent of the cash price. The deposit may be paid in cash or by cashier's check.*

*(b) The residents' cooperative association must obtain the necessary financing required under the purchase agreement within 60 days after the purchase agreement is executed. The deposit is nonrefundable if the residents' cooperative association fails to obtain the necessary financing or does not perform under the purchase agreement.*

*(c) Nothing in this section prevents a park owner from negotiating to sell the park or from accepting an offer to purchase that is conditioned upon the failure of the residents to exercise the first option to purchase or obtain the necessary financing. Time periods required under this section may be extended by agreement of the park owner and the residents' cooperative association. The owner has no obligation to provide financing to a resident or cooperative association for the sale or to disclose financial information other than the cash price of the park.*

*(d) If within the time periods prescribed under subdivision 1 or paragraph (b), the park owner elects to offer or accept an offer to purchase the park at a price lower than the price specified in the original notice to the residents, the park owner shall notify the secretary of the cooperative and the cooperative has an additional ten days to meet the price of the park owner by executing a contract to purchase the park.*

*Subd. 4. [EXCLUSIONS.] This section does not apply to:*

*(1) a sale or transfer to a park owner's spouse, parent, child, grandchild, stepchild, brother, sister, aunt, or uncle;*

*(2) a transfer by gift, devise, or operation of law;*

*(3) a transfer by a corporation to an affiliate;*

*(4) a transfer among partners who own the manufactured home park;*

*(5) a conveyance of an interest in a manufactured home park incidental to the financing of the manufactured home park;*

*(6) a conveyance by a mortgagee resulting from the foreclosure of a mortgage, or a deed given in lieu of a foreclosure;*

*(7) a sale or transfer between or among joint tenants or tenants in common owning a manufactured home park; and*

*(8) a purchase of a manufactured home park by a governmental entity under its power of eminent domain.*

*Subd. 5. [AFFIDAVIT OF COMPLIANCE.] A park owner may file an affidavit certifying compliance with this section with the county recorder in the county in which the park is located. A person acquiring an interest in a park or a title insurance company or attorney who prepares, furnishes,*

*or examines evidence of title may rely on the truth and accuracy of statements made in the affidavit and is not required to inquire further as to the park owner's compliance with this section."*

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

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

S.F. No. 878: A bill for an act relating to highways; removing legislative route 249 from the trunk highway system.

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. 707: A bill for an act relating to motor vehicles; requiring a notice of motor vehicle title transfer procedures to be included with annual motor vehicle registrations; amending Minnesota Statutes 1988, section 168.017, 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. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1011: A bill for an act relating to highways; redesignating the AMVETS memorial highway as the American Veterans Memorial Highway; amending Minnesota Statutes 1988, section 161.14, subdivision 23.

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. 738: A bill for an act relating to traffic regulations; providing for special permit for special vehicle; setting a fee; amending Minnesota Statutes 1988, sections 169.825, by adding a subdivision; and 169.86, 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 1988, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;

(2) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(3) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(4) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, paragraph (a), clause (3); *and*

(5) *special pulpwood vehicles described in section 2.*

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) truck cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, paragraphs (a) to (f);

(5) double-deck buses;

(6) commercial boat hauling.

(e) for vehicles which have axle weights exceeding the weight limitations of section 169.825, an additional cost added to the fees listed above. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limi- tations on axles	Cost Per Mile For Each Group Of:		
	Two consec- utive axles spaced within 8 feet or less	Three consec- utive axles spaced within 9 feet or less	Four consec- utive axles spaced with- in 14 feet or less
0-2,000	.100	.040	.036
2,001-4,000	.124	.050	.044
4,001-6,000	.150	.062	.050
6,001-8,000	Not permitted	.078	.056
8,001-10,000	Not permitted	.094	.070
10,001-12,000	Not permitted	.116	.078
12,001-14,000	Not permitted	.140	.094
14,001-16,000	Not permitted	.168	.106
16,001-18,000	Not permitted	.200	.128
18,001-20,000	Not permitted	Not permitted	.140
20,001-22,000	Not permitted	Not permitted	.168

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) for vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

**Sec. 2. [169.863] [SPECIAL PULPWOOD VEHICLE PERMIT.]**

*Subdivision 1. [SPECIAL VEHICLE.] The commissioner may issue a permit for a vehicle that meets the following requirements:*

*(a) There must be no more than two support points for the vehicle or for each vehicle of a vehicle combination. The support point of each axle group must be capable of distributing the load equally to each axle of the group with a variance of no more than 3,000 pounds between any two axles of the group.*

*(b) The maximum wheel load may not exceed the tire manufacturer's recommended load or the following weight limits, whichever is less:*

*(1) front steering axles, 550 pounds per inch;*

*(2) other single axles, 500 pounds per inch;*

*(3) tandem axles, 450 pounds per inch; and*

*(4) tridem or quad axle groups, 425 pounds per inch.*

*(c) The axle group weights must comply with the limitations of section 169.825, subdivision 10.*

*(d) The vehicle may not be equipped with a variable load axle, unless the variable load axle cannot be operated from the cab of the vehicle.*

*(e) The vehicle transports pole-length pulpwood, carries a gross vehicle weight of not more than 82,000 pounds, and has six axles.*

*Subd. 2. [PERMIT RESTRICTIONS.] A vehicle operating under a permit issued under this section may not travel on an interstate highway. The permit does not authorize the vehicle to exceed allowable gross weights that restrict travel on a highway or bridge under the authority of the commissioner or a local road authority."*

Delete the title and insert:

"A bill for an act relating to traffic regulations; providing for special permits for vehicles transporting pole-length pulpwood; setting a fee;

amending Minnesota Statutes 1988, section 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 169.”

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. 665: A bill for an act relating to motor vehicles; allowing second set of handicapped license plates to be issued to physically handicapped person who is furnished a vehicle as part of employment; allowing commissioner of public safety to accept photograph instead of physician's statement as evidence of physical handicap in certain circumstances; amending Minnesota Statutes 1988, sections 168.021, subdivision 1; and 169.345, subdivisions 2a and 3.

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

Page 1, lines 20 to 24, delete the new language and insert “ *The owner of a motor vehicle may apply for and secure a set of special plates for a motor vehicle if:*

*(1) the owner employs a permanently physically handicapped person who would qualify for special plates under this section; and*

*(2) the owner furnishes the motor vehicle to the physically handicapped person for the exclusive use of that person in the course of employment.”*

Page 2, line 4, before “The” insert “(a)”

Page 2, line 21, delete the new language and insert:

*“(b) The commissioner may accept a current photograph of the applicant in lieu of the statement of a licensed physician or chiropractor, if:*

*(1) the applicant has previously filed with the commissioner a statement of a licensed physician or chiropractor certifying that the applicant has a permanent physical handicap; and*

*(2) the permanent physical handicap of the applicant is evident from the photograph.”*

Page 2, delete lines 22 to 26

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. 827: A bill for an act relating to public safety; increasing membership on advisory council for the children's trust fund; amending Minnesota Statutes 1988, section 299A.23, subdivision 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 re-referred

S.F. No. 588: A bill for an act relating to horse racing; allowing a licensed racetrack to conduct pari-mutuel betting on televised races on days when races are not conducted at the licensed racetrack; allowing the licensed racetrack to commingle pari-mutuel pools with the sending racetrack; amending Minnesota Statutes 1988, sections 240.01, subdivision 10, and by adding a subdivision; 240.10; 240.13, subdivisions 1, 3, and by adding a subdivision; 240.14, by adding a subdivision; 240.16, by adding a subdivision; and 240.29.

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

Page 2, after line 28, insert:

“Sec. 6. Minnesota Statutes 1988, section 240.13, subdivision 6, is amended to read:

Subd. 6. [TELEVISED RACES.] (a) The commission may by rule permit a class B or class D licensee to conduct on the premises of the licensed racetrack pari-mutuel betting on horse races run in other states and broadcast by television on the premises. All provisions of law governing pari-mutuel betting apply to pari-mutuel betting on televised races except as otherwise provided in this subdivision or in the commission’s rules. Pari-mutuel pools conducted on such televised races may consist only of money bet on the premises and may not be commingled with any other pool off the premises, except that:

(a) (1) the licensee may pay a fee to the person or entity conducting the race for the privileges of conducting pari-mutuel betting on the race; and

(b) (2) the licensee may pay the costs of transmitting the broadcast of the race.

(b) Pari-mutuel betting on a televised race may be conducted only on a racing day assigned by the commission. The takeout and taxes on pari-mutuel pools on televised races are as provided for other pari-mutuel pools. All televised races under this subdivision must comply with the Interstate Horse Racing Act of 1978 as found in United States Code, title 15, section 3001 and the following relevant sections. In lieu of the purse requirement established by subdivision 5, the licensee shall set aside for purses one-half of the take-out from the amount bet on televised races after the payment of fees and taxes. For the purposes of purse distribution under subdivision 5, the average daily handle shall not include amounts bet in pari-mutuel pools on televised races.

(c) *A licensee may, with the approval of the commission, transmit telecasts of races the licensee conducts, for wagering purposes, to a location outside the state.*”

Page 3, line 15, after the period, insert “*Subject to the approval of the commission,*”

Page 3, line 17, after “*sending*” insert “*licensed*”

Page 3, after line 26, insert:

“(c) *Notwithstanding section 240.13, subdivision 7, and section 240.15,*

*subdivision 5, the commission may approve procedures governing the definition and disposition of unclaimed tickets which are consistent with the law and rules governing unclaimed tickets at the sending racetrack."*

Page 3, line 27, delete "(c)" and insert "(d)"

Page 4, line 5, delete "(d)" and insert "(e)"

Page 5, delete section 10

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "allowing a licensed racetrack to transmit telecasts of races it conducts to other racetracks:"

Page 1, line 9, after the third comma, insert "6."

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. 161: A bill for an act relating to peace officers; providing benefits to good samaritans who assist peace officers; amending Minnesota Statutes 1988, section 176B.01, 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. [PEACE OFFICER BENEFIT.]

*For the purposes of Minnesota Statutes, chapter 176B, a "peace officer" as defined in section 176B.01, subdivision 2, includes any person who was a volunteer or compensated member of a fire and rescue unit recognized by a local government unit who was giving assistance at the scene of a traffic accident on October 28, 1987, and who subsequently died as a result of injuries incurred at the scene of that accident. The assistance need not have been given pursuant to any order or request but may have been given on a voluntary, good samaritan basis.*

Sec. 2. Minnesota Statutes 1988, 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 who is engaged in providing emergency care; *and*

*(k) a first responder who is certified by the commissioner of health to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance.*

Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective retroactive to October 1, 1987. Section 2 is effective July 1, 1989.*"

Delete the title and insert:

"A bill for an act relating to peace officers; providing eligibility for death benefits for certain fire and rescue unit members and other first responders; amending Minnesota Statutes 1988, section 176B.01, subdivision 2."

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. 666: A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States to provide for a delay in an increase in compensation to members of Congress until an intervening election of representatives has occurred.

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

Page 2, line 10, delete "twenty-five" and insert "twenty-six"

Page 2, line 21, delete "and"

Page 2, line 22, after "and" insert "Iowa on February 7, 1989; and"

Page 3, line 6, delete everything after "Constitution"

Page 3, delete lines 7 and 8

Page 3, line 9, delete everything before the semicolon

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

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

S.F. No. 664: A bill for an act relating to human services; providing for a supplementary payment for families who are adversely affected by the budgeting methods under the aid to families with dependent children program; amending Minnesota Statutes 1988, section 256.74, by adding a subdivision.

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

Page 1, line 17, after "*subdivision*" insert " *, unless the total decrease in income for the month is less than \$25*"

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. 779: A bill for an act relating to human services; allowing for allocation of federal fiscal disallowances; amending date for rule adoption for family and group family foster care; permitting charges for postadoption services; permitting charges for searches involving original birth certificate information; amending Minnesota Statutes 1988, sections 256.01, subdivision 2; 256F05, subdivisions 2, 3, and 4; 257.071, subdivision 7; 259.47, subdivision 5; and 259.49, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 256E and 256F; repealing Minnesota Statutes 1988, section 256F05, subdivision 1.

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

Page 9, after line 3, insert:

"Sec. 8. [259.44] [REIMBURSEMENT OF NONRECURRING ADOPTION EXPENSES.]

*The commissioner of human services shall provide reimbursement of up to \$2,000 to the adoptive parent or parents for costs incurred in adopting a child with special needs. The commissioner shall determine the child's eligibility for adoption expense reimbursement under title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676.*"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "authorizing reimbursement of parents for expenses of adopting a child with special needs;"

Page 1, line 12, delete "and 256F" and insert "; 256F; and 259"

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. 322: A bill for an act relating to utilities; establishing circumstances under which certain utility customers may be considered as being

located outside municipalities.

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

Page 1, line 14, delete "*outside*" and insert "*within*"

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. 901: A bill for an act relating to utilities; regulating noncompetitive and competitive telephone services; amending Minnesota Statutes 1988, sections 237.07; 237.081; 237.295, subdivisions 1 and 2; 237.57, subdivision 1; 237.58, subdivision 1; 237.59, subdivisions 1, 2, 3, and 6; 237.60, subdivisions 1 and 2; 237.62, subdivisions 1 and 2, and by adding a subdivision; 237.63, subdivision 1, and by adding subdivisions; and 237.64, subdivisions 1 and 2; Laws 1987, chapter 340, section 26; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1988, sections 237.075, subdivision 1a; and 237.081, subdivision 3.

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

Page 14, line 9, after "*shall*" insert "*treat both investments and related costs as though they are providing noncompetitive services and shall*"

Page 17, line 4, delete "*may*" and insert "*shall*"

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. 595: A bill for an act relating to adoption; creating a postadoption service and grants program; defining eligibility criteria; providing for certification statement by local social service agency; proposing coding for new law in Minnesota Statutes, chapter 259.

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, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 461 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.
461	315				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 461 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 461 and

insert the language after the enacting clause of S.F. No. 315, the first engrossment; further, delete the title of H.F. No. 461 and insert the title of S.F. No. 315, the first engrossment.

And when so amended H.F. No. 461 will be identical to S.F. No. 315, and further recommends that H.F. No. 461 be given its second reading and substituted for S.F. No. 315, 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. 702 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.
702			675		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 702 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 702 and insert the language after the enacting clause of S.F. No. 675, the first engrossment; further, delete the title of H.F. No. 702 and insert the title of S.F. No. 675, the first engrossment.

And when so amended H.F. No. 702 will be identical to S.F. No. 675, and further recommends that H.F. No. 702 be given its second reading and substituted for S.F. No. 675, 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. 135 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.
135			220		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 135 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 135 and insert the language after the enacting clause of S.F. No. 220, the first engrossment; further, delete the title of H.F. No. 135 and insert the title of S.F. No. 220, the first engrossment.

And when so amended H.F. No. 135 will be identical to S.F. No. 220, and further recommends that H.F. No. 135 be given its second reading and

substituted for S.F. No. 220, 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. Solon from the Committee on Commerce, to which was referred

S.F. No. 184: A bill for an act relating to charitable organizations; regulating charitable solicitations and professional fund raisers; excluding certain religious organizations from registration; requiring a bond for professional fund raisers who have access to contributions; modifying disclosure requirements; authorizing the district court to redress violations of law; amending Minnesota Statutes 1988, sections 309.515, subdivision 2; 309.531, subdivision 2; 309.556; and 309.57, subdivision 1.

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

Page 3, line 26, strike "In connection with any"

Page 3, line 27, strike "charitable solicitation" and insert "*Prior to orally requesting a contribution or contemporaneously with a written request for a contribution*"

Page 3, line 29, strike "address and telephone number" and insert "*and location by city and state*"

Page 4, line 3, after "direct" insert "*personal*"

Page 4, line 4, after the first "shall" insert "*also*" and strike "card" and insert "*written document*"

Page 4, lines 8 to 11, reinstate the stricken language and delete the new language

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. 521: A bill for an act relating to occupations and professions; providing for a uniform electrical violation ticket; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Page 1, delete lines 17 to 19 and insert "*The uniform electrical violation ticket shall state that if the defendant fails to appear in court in response to the ticket, an arrest warrant may be issued. The*"

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. 886: A bill for an act relating to insurance; township mutuals; permitting the directors to choose a manager who need not be a member of the board; expanding the permissible duties of the treasurer and manager;

permitting township mutual fire insurance companies to cover certain secondary property; permitting township mutual insurance companies to insure secondary property outside the companies' territory under certain circumstances; setting forth a director's personal liability; amending Minnesota Statutes 1988, sections 67A.09, subdivision 1; 67A.12, subdivision 1; 67A.14, subdivisions 1 and 5; and 67A.17, subdivisions 2 and 3.

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. 344: A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, 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 1988, section 116.07, subdivision 2, is amended to read:

Subd. 2. [ADOPTION OF STANDARDS.] The pollution control agency shall improve air quality by promoting, in the most practicable way possible, the use of energy sources and waste disposal methods which produce or emit the least air contaminants consistent with the agency's overall goal of reducing all forms of pollution. The agency shall also adopt standards of air quality, including maximum allowable standards of emission of air contaminants from motor vehicles, recognizing that due to variable factors, no single standard of purity of air is applicable to all areas of the state. In adopting standards the pollution control agency shall give due recognition to the fact that the quantity or characteristics of air contaminants or the duration of their presence in the atmosphere, which may cause air pollution in one area of the state, may cause less or not cause any air pollution in another area of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, zoning classifications, topography, prevailing wind directions and velocities, and the fact that a standard of air quality which may be proper as to an essentially residential area of the state, may not be proper as to a highly developed industrial area of the state. Such standards of air quality shall be premised upon scientific knowledge of causes as well as effects based on technically substantiated criteria and commonly accepted practices. No local government unit shall set standards of air quality which are more stringent than those set by the pollution control agency.

The pollution control agency shall promote solid waste disposal control by encouraging the updating of collection systems, elimination of open dumps, and improvements in incinerator practices. The agency shall also adopt standards for the control of the collection, transportation, storage, processing, and disposal of solid waste and sewage sludge for the prevention and abatement of water, air and land pollution, recognizing that due to variable factors, no single standard of control is applicable to all areas of the state. In adopting standards, the pollution control agency shall give due recognition to the fact that elements of control which may be reasonable

and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, topography, soils and geology, climate, transportation, and land use. Such standards of control shall be premised on technical criteria and commonly accepted practices.

The pollution control agency shall also adopt standards describing the maximum levels of noise in terms of sound pressure level which may occur in the outdoor atmosphere, recognizing that due to variable factors no single standard of sound pressure is applicable to all areas of the state. Such standards shall give due consideration to such factors as the intensity of noises, the types of noises, the frequency with which noises recur, the time period for which noises continue, the times of day during which noises occur, and such other factors as could affect the extent to which noises may be injurious to human health or welfare, animal or plant life, or property, or could interfere unreasonably with the enjoyment of life or property. In adopting standards, the pollution control agency shall give due recognition to the fact that the quantity or characteristics of noise or the duration of its presence in the outdoor atmosphere, which may cause noise pollution in one area of the state, may cause less or not cause any noise pollution in another area of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, zoning classifications, topography, meteorological conditions and the fact that a standard which may be proper in an essentially residential area of the state, may not be proper as to a highly developed industrial area of the state. Such noise standards shall be premised upon scientific knowledge as well as effects based on technically substantiated criteria and commonly accepted practices. No local governing unit shall set standards describing the maximum levels of sound pressure which are more stringent than those set by the pollution control agency.

The pollution control agency shall adopt standards for the identification of hazardous waste and for the management, identification, labeling, classification, storage, collection, transportation, processing, and disposal of hazardous waste, recognizing that due to variable factors, a single standard of hazardous waste control may not be applicable to all areas of the state. In adopting standards, the pollution control agency shall recognize that elements of control which may be reasonable and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state. The agency shall consider existing physical conditions, topography, soils, and geology, climate, transportation and land use. Standards of hazardous waste control shall be premised on technical knowledge, and commonly accepted practices. No local government unit shall set standards of hazardous waste control which are in conflict or inconsistent with those set by the pollution control agency.

*A person who generates less than 100 kilograms of hazardous waste per month is exempt from the agency hazardous waste rules relating to transportation, manifesting, storage, and labeling for photographic fixer and x-ray negative wastes that are hazardous solely because of silver content. Nothing in this paragraph exempts the generator from the agency's rules relating to on-site accumulation or outdoor storage. A political subdivision or other local unit of government may not adopt management requirements that are more restrictive than this paragraph."*

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. 683: A bill for an act relating to the Western Lake Superior Sanitary District; authorizing the district to issue refunding obligations without redemption of outstanding obligations prior to maturity; amending Laws 1971, chapter 478, section 9a, subdivision 4, as added; and section 13, subdivision 4.

Reports the same back with the recommendation that the bill be referred to the Committee on Taxes and Tax Laws without recommendation. Report adopted.

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

S.F. No. 787: A bill for an act relating to human services; establishing reporting requirements; defining the functions and responsibilities of the commissioner in supervising community social services administered by the counties; requiring the commissioner of human services to ensure compliance with applicable program laws and regulations; implementing corrective action plans; providing sanctions and establishing an incentive program; amending Minnesota Statutes 1988, sections 245.482; 245.716; 245.73, subdivision 4; 252.275, subdivision 7; 256.01, subdivision 2; 256.72; 256.736, subdivision 15; 256.871, subdivision 6; 256.935, subdivision 1; 256B.05, subdivision 1; 256B.20; 256D.04; 256D.39; 256E.05, subdivision 3, and by adding subdivisions; 256E.08, subdivisions 1 and 8; 256E06, subdivision 4; 256H.09, subdivision 1; and 257.3575, subdivision 2.

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

Page 3, line 21, reinstate the stricken language and before the reinstated "The" insert "*The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17).*"

Page 3, lines 22 to 28, reinstate the stricken language and delete the new language

Page 9, line 6, after the period, insert "*When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced.*"

Page 9, line 18, delete "*shall*" and insert "*may*"

Page 10, line 7, after "(f)" insert "*The commissioner may not delay payments, withhold funds, or require repayment under paragraph (c) or (e) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements.*"

Page 10, after line 9, insert:

"(g) *Counties subject to withholding of funds under paragraph (c) or forfeiture or repayment of funds under paragraph (e) shall not reduce or withhold benefits or services to clients to cover costs incurred due to*



*actions taken by the commissioner under paragraph (c) or (e)."*

Page 19, line 21, after the period, insert "*Upon request from the county, the commissioner shall provide technical assistance to the county in developing a corrective action plan. The county shall have 30 days from the date the technical assistance is provided to develop the corrective action plan.*"

Page 19, after line 34, insert:

*"(g) The commissioner may not impose a fine or reduce funds under this subdivision if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements."*

Page 19, line 35, delete "(g)" and insert "(h)"

Page 22, after line 27, insert:

"Sec. 20. Minnesota Statutes 1988, section 256E.12, subdivision 3, is amended to read:

Subd. 3. The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services to persons with serious and persistent mental illness. The commissioner shall promulgate permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. *The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17).* The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping persons with serious and persistent mental illness remain and function in their own communities."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, after the second semicolon, insert "256E.12, subdivision 3;"

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. 747: A bill for an act relating to human services; providing for eligibility changes in the medical assistance, general assistance medical care, and children's health plan programs; clarifying existing eligibility requirements; providing for coordination of benefits with the children's health plan; providing for certain changes in the administration of the medical assistance demonstration project; amending Minnesota Statutes 1988, sections 62A.045; 62A.046; 145.61, subdivision 5; 145.63; 214.06, subdivision 1; 256.936, subdivisions 1, 2, and 4; 256.969; 256B.031, subdivision 5; 256B.04, subdivision 14; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3 and 5; 256B.062; 256B.0625, subdivision 13, and by adding a subdivision; 256B.14; 256B.69, subdivisions 4, 5, 11, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 7; and 297.13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters

256 and 256B; repealing Minnesota Statutes 1988, sections 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.17; and 256B.69, subdivisions 12, 13, 14, and 15.

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

Page 9, line 33, delete "*period of time*" and insert "*hospital's fiscal year*"

Page 10, lines 5 and 6, delete "*and third party payors*"

Page 11, line 6, reinstate the stricken "and" and delete "or"

Page 11, line 34, delete the first comma and insert "or" and delete ", or regional designation"

Page 14, line 5, delete "*on the earlier of*" and insert "*during*"

Page 14, line 6, delete "*or January 1, 1989*"

Page 14, line 15, before "*two*" insert "*first*" and after "*two*" insert "*consecutive*"

Page 14, line 32, delete "*on the earlier of*" and insert "*during*" and delete "or"

Page 14, line 33, delete "*January 1, 1989*"

Page 17, line 23, before "*The*" insert "*After consulting with the affected hospitals.*"

Page 18, line 30, after "*may*" insert ", *after consulting the affected hospitals.*"

Page 18, line 34, delete "*or January 1, 1989, whichever is earlier*"

Page 22, line 4, delete "*kidney dialysis.*"

Page 24, line 33, delete "*June 30, 1989*" and insert "*December 31, 1990*"

Page 25, line 1, delete "and"

Page 25, line 2, after "*Minnesota*" insert "; *and (iv) the hospital is not located in a city of the first class as defined in section 410.01*"

Page 25, line 8, delete "*June 30, 1989*" and insert "*December 31, 1990*"

Page 25, line 13, delete "and" and after "*Minnesota*" insert "; *and (iv) the hospital is not located in a city of the first class as defined in section 410.01*"

Page 27, line 20, delete "*and paragraph (h).*"

Page 27, line 23, delete "not"

Page 27, lines 28 and 29, delete ", *without regard to the one percent technology factor*"

Page 31, line 4, strike "as specified in section 256D.37, subdivisions" and delete "7"

Page 31, line 5, delete "*and 10*" and strike "to 14" and insert "*the same as the methodology used for calculating income for the supplemental security income program except as specified otherwise by state or federal law*"

Page 32, lines 8 and 9, strike "with a total equity value of \$2,000 or less"

Page 33, delete lines 1 to 5 and insert "supplemental security income (SSI) program."

Page 34, line 14, after the stricken "care," insert "The commissioner shall seek applicable waivers from the Secretary of Health and Human Services to allow persons eligible for assistance on a spend-down basis under this subdivision to elect to pay the monthly spend-down amount to the local agency in order to maintain eligibility on a continuous basis for medical assistance and to simplify payment to health care providers. If the local agency has not received payment of the spend-down amount by the 15th day of the month, the recipient is ineligible for this option for the following month. The commissioner may seek a waiver of the requirement of the Social Security Act that all requirements be uniform statewide, to phase in this option over a six-month period."

Page 35, line 8, before "premiums" insert "cost-effective"

Page 37, line 1, delete "equals" and insert ", when added to the community spouse's income, does not exceed"

Page 37, line 24, after the period, insert "The \$1,500 limit in paragraph (a) must be adjusted January 1, 1990, and every January 1 after that by the same percentage as the percentage change in the Consumer Price Index for all urban consumers (all items; United States city average) between the two previous Septembers."

Page 37, after line 28, insert:

"(d) If a court has entered an order against an institutionalized spouse for monthly income for the support of the community spouse, the community spouse income allowance may not be less than the amount of income ordered."

Page 39, line 4, delete "have" and insert "had" and delete " shall" and insert "at the time of institutionalization must" and delete "A"

Page 39, delete lines 5 to 10 and insert "An amount that is equal to one-half of the total value of all assets must be calculated. At the time of application for medical assistance, or at the time of institutionalization of a recipient, only the amount of total assets currently owned that exceeds the community spouse asset allowance may be considered available to the institutionalized spouse. The community spouse asset allowance is the greater of:

(1) \$12,000;

(2) the lesser of half the total assets at the time of institutionalization or \$60,000; or

(3) the amount required by court order to be paid to the community spouse.

On January 1, 1990, and every January 1 thereafter, the \$12,000 and \$60,000 limits shall be adjusted by the same percentage change in the consumer price index for all urban consumers (all items; United States city average) between the two previous Septembers."

Page 39, line 29, delete the second "The"

Page 39, delete lines 30 to 35

Page 40, line 2, after "*eligibility*" insert "*within the time needed for a court order required to effect the transfer*"

Page 40, line 5, after the second comma, insert "*except assets other than the homestead that are excluded under section 256B.056, subdivision 3,*"

Page 41, line 35, delete "*excluded under section 256B.056, subdivision 3,*"

Page 42, lines 3 and 4, delete "*as allowed under subdivision 5.*" and insert "*, provided the spouse does not transfer the assets to another person for less than fair market value;*"

Page 42, after line 19, insert:

"Sec. 21. Minnesota Statutes 1988, section 256B.062, is amended to read:

256B.062 [CONTINUED ELIGIBILITY.]

~~Subdivision 1. Any family which was eligible for aid to families with dependent children in at least three of the six months immediately preceding the month in which the family became ineligible for aid to families with dependent children because of increased income from employment shall, while a member of the family is employed, remain eligible for medical assistance for four calendar months following the month in which the family would otherwise be determined to be ineligible due to the income and resources limitations of this chapter.~~

~~Subd. 2. A family whose eligibility for aid to families with dependent children is terminated because of the loss of the \$30, or the \$30 and one-third earned income disregard is eligible for medical assistance for 12 calendar months following the month in which the family loses medical assistance eligibility as an aid to families with dependent children recipient. Medical assistance may be paid for persons who received aid to families with dependent children in at least three of the six months preceding the month in which the person became ineligible for aid to families with dependent children, if the ineligibility was due to an increase in hours of employment or employment income or due to the loss of an earned income disregard. A person who is eligible for extended medical assistance is entitled to six months of assistance without reapplication, unless the assistance unit ceases to include a dependent child. For a person under 21 years of age, medical assistance may not be discontinued within the six-month period of extended eligibility until it has been determined that the person is not otherwise eligible for medical assistance. Medical assistance may be continued for an additional six months if the person meets all requirements for the additional six months, according to Title XIX of the Social Security Act, as amended by section 303 of the Family Support Act of 1988, Public Law Number 100-485."~~

Page 45, line 10, delete "*only if*" and insert "*. The services must be*"

Page 45, line 12, after "*provider*" insert "*or its subcontractor*"

Page 45, line 16, after the period, insert "*Medical assistance coverage for medically necessary services provided under other subdivisions in this section may not be denied solely on the basis that the same or similar services are covered under this subdivision.*"

Page 49, line 7, delete "emergency and"

Page 51, line 31, delete "and"

Page 51, line 32, after "services" insert "and psychological services"

Page 51, line 35, after "diseases" insert "": and

*(5) medical supplies and equipment and Medicare coinsurance and deductible payments for a person who would be eligible for medical assistance except that the person resides in an institution for mental diseases"*

Page 57, after line 5, insert:

"Sec. 33. [PRESERVATION OF ELIGIBILITY FOR CERTAIN CHILDREN COVERED BY THE CHILDREN'S HEALTH PLAN.]

*Notwithstanding Minnesota Statutes 1988, section 256.936, subdivision 1, a child enrolled in the children's health plan who reached or will reach age nine between the date of initial implementation of the children's health plan and July 1, 1990, remains eligible for the children's health plan after the child's ninth birthday until July 1, 1990, if the child meets all other program requirements."*

Page 57, line 19, delete "is" and insert ". and section 33, are"

Page 57, line 20, delete "22" and insert "23"

Page 57, line 21, delete "26" and insert "27"

Page 57, delete lines 23 to 26 and insert:

*"Section 20, subdivisions 1 to 3, are effective for persons who reside in an institution on or after October 1, 1989. Section 20, subdivisions 4 and 5, are effective for persons who enter an institution on or after October 1, 1989. Section 20, subdivisions 6 to 9, are effective July 1, 1989, for all assets transferred on or after that date, except for interspousal transfers under section 256B.17, subdivision 7."*

Page 57, line 27, delete "32" and insert "34"

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. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 839: A bill for an act relating to workers' compensation; providing coverage for preventive rabies treatment; amending Minnesota Statutes 1988, section 176.135, 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 1988, section 176.011, subdivision 16, is amended to read:

Subd. 16. [PERSONAL INJURY.] (a) "Personal injury" means injury arising out of and in the course of employment and includes personal injury caused by occupational disease; but does not cover an employee except

while engaged in, on, or about the premises where the employee's services require the employee's presence as a part of such service at the time of the injury and during the hours of such service.

(b) Where the employer regularly furnished transportation to employees to and from the place of employment such employees are subject to this chapter while being so transported, but shall not include an injury caused by the act of a third person or fellow employee intended to injure the employee because of personal reasons, and not directed against the employee as an employee, or because of the employment.

(c) *Exposure to rabies arising out of and in the course of employment is a personal injury under this subdivision for purposes of section 176.135.*

Sec. 2. Minnesota Statutes 1988, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation.

(b) The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment.

(c) *The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.*

(d) *The employer shall furnish preventive treatment to employees exposed to rabies arising out of and in the course of employment.*

(e) In case of the employer's inability or refusal seasonably to do so the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee. No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7. Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. ~~The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.~~

~~(b) (f)~~ Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 176.011, subdivision

16; and”

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. 491: A bill for an act relating to health care: providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements and funding sources; modifying income eligibility requirements for medical assistance; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 256B.056, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62J.

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. [62J.01] [FINDINGS.]

*The legislature finds that substantial numbers of Minnesotans have no health care coverage and that most of these residents are wage earners or their dependents. One-third of these individuals are children. When these individuals enter the health care system they have often foregone preventive care and are in need of more expensive treatment that often exceeds their financial resources. Much of the cost for these uncompensated services to the uninsured are already in the health care system in the form of increased insurance and provider rates and property and income taxes. These costs, spread among the already insured, represent a woefully inefficient method for providing basic preventive and acute care for the uninsured and represent an added cost to employers now providing health insurance to their employees.*

*The legislature further finds that it is essential for the state to initiate and participate in a system to ensure basic and affordable health care to all Minnesotans while addressing the economic pressures on the health care system as a whole in Minnesota.*

##### Sec. 2. [62J.02] [HEALTH CARE ACCESS COMMISSION.]

*Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] The Minnesota health care access commission consists of 11 members. Seven members, three of whom are experienced health care professionals, are appointed by the governor. The commissioners of health, human services, employee relations, and commerce, or their designated representatives, are also members. The governor shall appoint the chair of the commission after considering the commission's recommendation. The terms, compensation, and removal of the members appointed by the governor are as provided in section 15.0575.*

*Subd. 2. [STAFF] The commission shall select a director to serve at its pleasure as the chief administrative officer of the commission. The director may hire advisors, consultants, and employees, as authorized by the commission, and prescribe their duties. Employees are not state employees,*

but are covered by section 3.736. At the option of the commission, the employees may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans.

*Subd. 3. [GENERAL DUTIES.] The commission shall:*

*(1) implement and administer the health care access program created in sections 1 to 11;*

*(2) coordinate the health care access program with other state and federal health care programs;*

*(3) administer the health care access account created in section 11;*

*(4) subject to chapter 14, adopt, amend, and repeal rules, including emergency rules, necessary to implement and administer sections 1 to 11;*

*(5) conduct necessary investigations and inquiries and compel the submission of information, documents, and records it considers necessary to carry out its duties;*

*(6) report annually to the legislature and the governor on its activities and on recommended insurance and health care law changes to improve access to health care for residents of this state;*

*(7) employ and supervise staff;*

*(8) make every effort to ensure representation in service delivery by eligible practitioners, without regard to race, color, or sex; and*

*(9) conduct other activities it considers necessary to carry out the intent of the legislature as expressed in sections 1 to 11.*

**Sec. 3. [62J.03] [CONTRACTING AUTHORITY.]**

*Subdivision 1. [GENERAL.] The commission may request bids from, and negotiate and contract with, carriers the commission determines are best qualified to underwrite and service health care plans that meet the requirements of section 4. The commission may also contract directly with health care providers. The commission may establish any conversion and continuation privileges for those plans it considers appropriate. The commission may negotiate premium rates and coverage provisions with all carriers regulated under chapters 62A, 62C, and 62D. The commission may negotiate separate contracts to cover eligible persons who are in need of, and receive, immediate medical treatment but who have not as yet selected a health care plan. The commission shall also negotiate reasonable cost containment measures to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to manage enrollment and plan selection must be bid or negotiated separately from contracts to service the plans, which shall be awarded only on the basis of competitive bids. The commission shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and other factors the commission considers appropriate including, but not limited to, plan utilization review provisions, case management provisions, and preauthorization requirements. Each contract must be for a uniform term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commission shall, to the extent feasible, offer a choice of plans available from two or more carriers regulated under chapters 62A, 62C, and 62D. The commission may offer only one plan in*



*an area of the state if only one acceptable bid exists or if offering more than one plan would result in substantial, additional administrative costs. Payments from the commission to a carrier are exempt from the tax imposed by section 60A.15 and are not included in the carrier's premiums for the purposes of assessments under 62E.11.*

*Subd. 2. [COMMUNITY CLINICS.] The commission, or an entity selected by the commission to administer health care plans on its behalf, shall to the extent appropriate contract with community clinics. For purposes of this subdivision, "community clinics" means an entity that:*

*(1) through its staff and supporting resources or through its contracts or cooperative arrangements with other public or private entities, provides primary health services for all intended residents of its service area;*

*(2) was established to serve the primary health needs of low-income population groups;*

*(3) uses a sliding fee scale based on ability to pay, and does not limit access or care because of the financial limitations of the client;*

*(4) has nonprofit status under chapter 317; and*

*(5) has a governing board, for which at least 51 percent of the membership resides in and represents the local community served by the clinic.*

*Subd. 3. [CONTRACT TO CONTAIN STATEMENT OF BENEFITS.] A contract under this section must contain a detailed statement of benefits offered and must include any maximums, limitations, exclusions, and other provisions the commission considers necessary or desirable. A contract providing only the coverage specified in section 4, subdivision 2, may not contain a provision denying coverage for any preexisting conditions.*

*Subd. 4. [ACTUARIAL DATA.] The commission shall estimate, on an actuarially sound basis, the expected cost of providing coverage under the health care access program, recognizing variations in the cost of providing coverage through various systems and in different areas in the state. The commission shall make this actuarial data available to potential carriers under the health care access program.*

**Sec. 4. [62J.04] [BENEFITS.]**

*Subdivision 1. [AVAILABILITY.] The commission shall make available to all residents of this state health care plans meeting the requirements of subdivisions 2 and 3.*

*Subd. 2. [MINIMUM CORE COVERAGE.] (a) The commission shall make available a health care plan that provides the benefits described in this subdivision.*

*(b) Only the following services and articles are covered:*

*(1) hospital services for not more than 30 days;*

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

*(3) preventive health services, including screenings, immunizations, and yearly disease detection;*

*(4) diagnostic x-rays and laboratory tests;*

(5) prostheses, not including eye glasses and hearing aids;

(6) prenatal and well child care;

(7) transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition; and

(8) drugs requiring a physician's prescription, but not to exceed \$500 in any year.

(c) The following are not covered:

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

(2) any charge for treatment for cosmetic purposes other than for reconstructive surgery when the service is incidental to or follows surgery resulting from injury, sickness, or other diseases of the involved part or when the 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 that would not qualify as eligible services under Medicare;

(4) a charge for confinement in a private room to the extent it exceeds 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 is 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 that exceeds the prevailing charge in the locality where the service is provided; and

(6) a charge for services or articles that are not within the scope of authorized practice of the institution or individual providing the services or articles.

(d) The commission shall establish copayment requirements and a dollar limitation per person on the total annual out-of-pocket expenses for covered services. Copayments must be imposed for prescription drug benefits at a level of \$5 per prescription. Copayments must be imposed for routine office visits at a level of \$5 per visit. Copayments must be imposed for ambulance transportation covered under this subdivision at a level of \$25 per use of those services, if the patient is not admitted to a hospital within 24 hours after the services. Copayments must be imposed for emergency room services at a level of \$25 per visit if the patient is not admitted to a hospital within 24 hours after the visit. No copayments may be imposed on preventive health services covered under this subdivision.

(e) Coverage under a minimum core coverage plan is subject to a maximum lifetime benefit of \$50,000 per individual.

*Subd. 3. [OPTIONAL COVERAGES.] The commission shall make available a number one qualified plan, a number two qualified plan, a number three qualified plan, and a qualified Medicare supplement plan under chapter 62E and other optional coverages provided by carriers selected by the commission. Eligible persons may elect to purchase optional coverages.*

**Sec. 5. [62J.05] [MANDATORY HEALTH INSURANCE; PARTICIPATION IN HEALTH CARE ACCESS PROGRAM.]**

*(a) By July 1, 1990, every resident of the state is required to have coverage under a health care plan that provides benefits at least equivalent to the minimum core coverage in section 4, subdivision 2. For purposes of this paragraph, health coverage under Medicare; medical assistance; general assistance medical care; the comprehensive health insurance act; or a plan of coverage as defined by section 62E.02, subdivision 9, that meets the requirements of a qualified plan under chapter 62E is considered at least equivalent to the minimum core coverage in section 4, subdivision 2.*

*(b) A person must participate in and obtain coverage through the health care access program if the person meets the eligibility requirements in section 6, subdivision 1, and the health care access account under section 11 has sufficient funds to allow payment of the commission's share of the premium.*

*(c) For purposes of sections 1 to 11, "resident" means a person who is presently living in Minnesota in the person's principal and permanent home and who:*

- (1) has lived in Minnesota for at least six consecutive months; or*
- (2) is employed by an employer who is subject to the payroll tax in section 12.*

**Sec. 6. [62J.06] [ELIGIBILITY TO PARTICIPATE IN HEALTH CARE ACCESS PROGRAM.]**

*Subdivision 1. [RESIDENTS WITH NO COVERAGE OR INADEQUATE COVERAGE.] (a) A Minnesota resident is eligible to participate in the health care access program if the resident:*

*(1) does not have coverage available under a policy, plan, or contract of health or accident insurance regulated under chapter 62A, 62C, 62D, 62H, or 64B, or Medicare, medical assistance, general assistance medical care, an employment-based insurance program, or other subsidized health insurance program;*

*(2) has coverage under a health care plan that does not meet the level of minimum core benefits in section 4, subdivision 2;*

*(3) does not have coverage available under an employment-based group insurance program, and for whom all income received is self-employment income, as defined in section 13, subdivision 1, paragraph (c); or*

*(4) has coverage under the comprehensive health insurance plan under chapter 62E.*

*Subd. 2. [EMPLOYER PARTICIPATION.] The following employers are eligible to participate in the health care access program:*

*(1) an employer who does not provide or make available a health care plan to employees; and*

(2) an employer who provides or makes available to employees a health care plan, including plans under section 62E.03, who chooses to participate in the health care access program, provided the employer obtains and provides employees with at least the level of coverage required under section 62E.03.

**Sec. 7. [62J.07] [UNINSURED PERSONS REQUIRED TO PARTICIPATE; RECOVERY OF PAYMENTS BY COMMISSION.]**

A person who is not covered under a health care plan who seeks medical care from a health care provider is enrolled in the health care access program from the time the person first seeks treatment. The commission may recover from the person the costs of the treatment if the person is financially able to pay for the costs. The commission may also recover the annual premium amount the person would owe for coverage under the health care access program.

**Sec. 8. [62J.08] [PREMIUMS.]**

**Subdivision 1. [PREMIUMS PAID BY PARTICIPANT; SUBSIDIZED BY FUND.]** An enrollee in the health care access program shall pay the first installment of the premium for coverage upon the effective date of the coverage. The premium payment must be deposited in the account in section 11. The enrollee's share of the premium for minimum core coverage under section 4, subdivision 2, is determined by the income-based sliding fee schedule in subdivision 2. The remainder of the premium for this coverage is paid by the health care access account established in section 11. An enrollee who chooses optional coverage under section 4, subdivision 3, must pay the entire premium for the optional coverage and minimum core coverage.

**Subd. 2. [SLIDING FEE SCHEDULE FOR PREMIUMS.]** A participant's share of the premium for minimum core coverage is based on the participant's net disposable income, according to the schedule in this subdivision. A participant with a net disposable income listed in column A must pay the corresponding percent of the premium in column B, up to an annual premium amount in column C. In addition, the participant must pay a percent, as listed in column D, of any remaining premium above the annual premium amount in column C. The remainder of the enrollee's premium is paid for by the health care access account established in section 11.

**SLIDING FEE SCHEDULE FOR DETERMINING  
INSURANCE PREMIUM SUBSIDIES**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Net Disposable Income</b>	<b>Participant's Percent of Premium</b>	<b>Annual Premium Amount</b>	<b>Participant's Percent of Remaining Premium</b>
Less than 0	0	-0-	0
\$ 0-999	5	\$ 500	0
1,000-2,499	5	\$1,000	0
2,500-4,999	10	\$1,000	5
5,000-7,499	20	\$1,000	5
7,500-9,999	30	\$1,000	10
10,000-12,499	40	\$1,000	10

12,500-14,999	50	\$1,000	20
15,000-19,999	60	\$1,000	30
20,000-24,999	70	\$1,000	40
25,000-29,999	80	\$1,250	50
30,000-39,999	100	\$1,250	75
40,000 +	100	No Limit	-0-

"Net Disposable Income" means total gross income, as defined by the commission in rule, minus \$5,750 for the head of household or single individual and minus \$1,900 for each dependent. These deductions from gross income must be adjusted upward, if appropriate, every two years to reflect inflation. The commission shall publish notice of these adjustments in the State Register. Gross income does not include the ordinary and necessary expenses paid or incurred in carrying on a trade or business as defined under section 162 of the Internal Revenue Code of 1986, as amended through December 31, 1988.

Sec. 9. [62J.09] [ENROLLMENT AND PREMIUM PAYMENTS.]

The time, manner, conditions, and terms of eligibility and payment of premiums for enrollment of eligible persons for coverage under section 6 must be determined by the commission in rule. The rules shall:

(1) include a procedure for referring persons eligible for coverage under the comprehensive health insurance plan to that plan if the commission considers it appropriate;

(2) establish procedures for the subsequent enrollment of eligible persons who are denied enrollment in the program because there are insufficient funds in the account to allow payment of the commission's share of the premium; and

(3) provide for the withholding by employers of premiums payable under section 8 from the wages of employees. The commission may provide for payment by employers of the premiums withheld from wages to the commission or directly to providers for insurance or services under sections 1 to 11.

Sec. 10. [62J.10] [PROGRAM INFORMATION AND ENROLLMENT.]

Subdivision 1. [SOLICITATION OF ELIGIBLE PERSONS.] The commission shall disseminate appropriate information to the residents of this state about the existence of the program and the means of enrollment. The commission shall use the press, radio, and television, as well as publication in appropriate state offices and publications. The commission shall devise and implement methods to maintain public awareness of the provisions of sections 1 to 11 and shall administer sections 1 to 11 in a manner that facilitates public participation.

Subd. 2. [HEALTH INSURANCE INFORMATION; PENALTY.] A resident of the state shall furnish to the health care access commission the information required by the commission to determine the health care coverage of the person and the person's dependents. The commission may require proof of coverage. An employer shall distribute evidence of insurance forms to all employees. A person required to give information to the commission under this subdivision who willfully fails to supply information or willfully supplies false or fraudulent information is guilty of a gross misdemeanor.

Subd. 3. [HEALTH CARE APPLICATIONS.] The health care access

*commission shall prepare and distribute information and evidence of insurance and application forms for health insurance under sections 1 to 11. The applications and other information must be made available to employers; health care provider offices and facilities; local human services agencies; public and community health offices and clinics; school clinics; county extension offices; and women, infants, and children (WIC) program sites. Employers must furnish applications and information to employees.*

Sec. 11. [62J.11] [HEALTH CARE ACCESS ACCOUNT.]

*Subdivision 1. [CREATION.] The health care access account is established in the state treasury. There is annually appropriated from the account to the commission the amount needed to pay for implementing and administering the health care access program established under sections 1 to 11, including payment of approved claims, refunds, administrative costs, and other related service charges. This appropriation may not exceed \$150,000,000 in any state fiscal year. Nothing in sections 1 to 11 obligates the commission to pay its share of the premium cost of an otherwise eligible person if the appropriation in this subdivision is insufficient to allow payment of the commission's share of the premium.*

*Subd. 2. [SOURCE OF FUNDING.] The account is funded with revenue from the sources specified in subdivision 5 and sections 8; 12, subdivision 10; and 13, subdivision 7.*

*Subd. 3. [INVESTMENT OF ACCOUNT ASSETS.] Except as otherwise provided in subdivision 6, when money in the account exceeds the amount the commission determines is currently needed, the commission shall direct the state treasurer to certify this amount to the state board of investment for investment subject to section 11A.24. Investment income and losses attributable to the account must be credited to the account.*

*Subd. 4. [ALLOCATION.] The commission shall allocate the appropriation to ensure that eligible persons of every income level for which there is a premium subsidy are enrolled and the appropriation is not used to disproportionately subsidize any particular income group.*

*Subd. 5. [ASSESSMENT ON EMPLOYERS THAT DISCONTINUE COVERAGE.] An employer that discontinues all plans of health coverage provided or made available to employees employed in this state and does not provide substantially similar coverage to replace it shall pay a special assessment to the account. The special assessment consists of an amount equal to five times the total annual premium or financing obligation of that employer for the previous calendar year. One-half of the assessment must be paid to the account by January 1 of the year following the discontinuance, and one-half of the assessment must be paid to the account by January 1 of the next year. The commission has all the powers under chapter 290 to impose and collect the assessment under this subdivision. The commissioner of revenue shall provide the commission with information necessary to allow the commission to administer and enforce this subdivision.*

*Subd. 6. [SURPLUS.] Any surplus remaining in the fund at the end of a fiscal year may be used by the commission, in its discretion, to increase the premium subsidies for those participants whose net disposable income is less than \$20,000.*

Sec. 12. [290.924] [HEALTH CARE ACCESS; PAYROLL TAX.]

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

*(b) "Commissioner" means the commissioner of revenue.*

*(c) "Employee" has the meaning given it in section 290.92, subdivision 1, clause (3). The provisions of section 290.92, subdivision 4a, clause (2), apply in determining who is an employee for purposes of this section.*

*(d) "Employer" has the meaning given it in section 290.92, subdivision 1, clause (4). The provisions of section 290.92, subdivision 4a, clause (2), apply in determining who is an employer for purposes of this section.*

*(e) "Payroll period" has the meaning given it in section 290.92, subdivision 1, clause (2).*

*(f) "Taxable wages" means wages paid to an employee exceeding \$10,000 in a calendar year.*

*(g) "Wages" has the meaning given it in section 290.92, subdivision 1, clause (1). The provisions of section 290.92, subdivision 2a, clauses (6), (9), and (10), subdivision 4, and subdivision 4a, clauses (1) and (2), apply in determining wages for purposes of this section.*

*Subd. 2. [TAX IMPOSED; EMPLOYERS.] (a) A tax is imposed on an employer paying wages to employees during a payroll period. The amount of tax is equal to five-tenths percent of wages paid to employees less the credit allowed in paragraph (b).*

*(b) A credit against the tax imposed in paragraph (a) is allowed to an employer offering a health care plan of coverage as defined in section 62E.02, subdivision 9, that meets the requirements of a qualified plan under chapter 62E and who pays at least 50 percent of the premium costs or other financing costs for that coverage for employees and their dependents. The credit is equal to the lesser of (1) the amount of tax imposed under this subdivision, or (2) 100 percent of premium or other financing costs paid by the employer if that amount is at least 75 percent of the premium costs or other financing costs for coverage of the employees and their dependents. If the amount paid by the employer is less than 75 percent of the premium or other costs, the percentage of the premium or other costs paid by the employer allowed as a credit under this clause must be proportionately reduced so that an employer paying 50 percent of the premium or other financing costs of coverage for employees and their dependents is allowed only 50 percent of the costs paid by the employer as a credit. If the employer pays less than 50 percent of the premium or other financing costs, no credit is allowed. The credit may be applied only against the tax imposed with respect to employees for whom the employer pays the applicable percentage of premium or other financing costs of insurance coverage for the employees and their dependents. A credit may be carried forward to later reporting periods in the calendar year but may not be carried forward to a succeeding calendar year.*

*(c) The United States and its agencies and instrumentalities are exempt from the tax imposed in this subdivision.*

*Subd. 3. [TAX IMPOSED; EMPLOYEES.] A tax is imposed on an employee paid wages by an employer during a payroll period. The amount of tax is equal to three-tenths percent of taxable wages paid to the employee.*

*Subd. 4. [PAYMENT; WITHHOLDING.] The tax imposed in subdivision*

2 must be reported and paid by an employer to the commissioner of revenue at the times and in the manner that the tax imposed in section 290.92 is paid. The tax imposed in subdivision 3 must be deducted and withheld from the wages of each employee each payroll period and reported and paid to the commissioner in the same manner and at the same time as the tax imposed in section 290.92 is withheld and paid. An employee is not liable for the tax imposed in subdivision 3 if the employer fails to deduct and withhold it. The employer is liable for payment of the tax required to be deducted and paid under subdivision 3, and is not liable to a person for the amount of the payment.

**Subd. 5. [RETURNS.]** The commissioner shall prepare return forms and instructions for reporting and withholding and paying the taxes imposed in this section. The commissioner may prepare tables for use by employers in reporting and withholding and paying the taxes. The tables may require that the amount of tax imposed on taxable wages be prorated over the calendar year. The commissioner may determine whether employers must use the withholding tables and may give employers permission to withhold and pay the tax by another method determined satisfactory by the commissioner. The returns and instructions are not rules for purposes of chapter 14. The return must be in the form and contain the information required by the commissioner. Failure to provide the information renders the return unprocessable. A return is not treated as filed until it is in a processible form. The commissioner may extend the period of time for filing the return for up to 60 days. A return that is required to be filed with the commissioner under this section must contain a written declaration that it is correct and complete. It must contain, in language prescribed by the commissioner, a confession of judgment for the tax shown due on it to the extent it is not timely paid.

**Subd. 6. [REFUNDS.]** If the taxes paid or withheld and paid under subdivision 4 exceed by more than \$1 the taxes imposed in subdivision 2 or 3, the excess must be refunded by the commissioner to the extent provided in this subdivision. The commissioner shall provide by rule for refund to the persons who paid the tax. Refund of an overpayment may be made to an employer only to the extent that the overpayment was not deducted and withheld from the wages of an employee. When the amount of the refund exceeds \$10, it must be returned with interest at the rate given in section 270.76 computed from 90 days after the date the return was due.

**Subd. 7. [PENALTIES; INTEREST.]** To the extent applicable to the taxes imposed in this section, all civil and criminal penalties and the imposition of interest relating to withholding, reporting, deposit, and payment of taxes under section 290.92 are imposed on and apply to persons having a duty to withhold, report, deposit, and pay the taxes imposed in this section.

**Subd. 8. [POWERS OF THE COMMISSIONER.]** The taxes imposed in this section must be assessed by the commissioner in the manner provided in section 290.92. The time limits for assessment and collection in section 290.92 apply. The commissioner has the powers given in this chapter to administer, assess, collect, and enforce the taxes imposed in this section.

**Subd. 9. [RULES.]** The commissioner of revenue may adopt rules under chapter 14 to administer and enforce reporting, payment, and collection of taxes imposed under this section.

**Subd. 10. [DEPOSIT OF FUNDS.]** The taxes paid or withheld and paid to the commissioner together with penalties and interest must be deposited



*in the general fund and credited to the health care access account created in section 11. Refunds of the taxes imposed in this section and the administrative expenses of the commissioner must be paid from that account. There is annually appropriated to the commissioner from the health care access account the amounts required to pay the refunds authorized in this section.*

**Sec. 13. [290.925] [HEALTH CARE ACCESS; EARNED INCOME TAX.]**

*Subdivision 1. [DEFINITIONS.] (a) For purposes of this section the terms in paragraphs (b) to (d) have the meanings given them:*

*(b) "Commissioner" means the commissioner of revenue.*

*(c) "Self-employment income" means self-employment income as defined in section 1402(b) of the Internal Revenue Code of 1986, as amended through December 31, 1988, derived by a resident individual either within or without, or both within and without, the state and by a nonresident individual within the state to the extent the income does not constitute "wages" for purposes of section 12. "Self-employment income" is determined without regard to the benefit and contribution base amount and minimum earnings in section 1402(b)(1) and (2) of the Internal Revenue Code.*

*(d) "Taxable self-employment income" means self-employment income of an individual exceeding \$10,000 in a taxable year.*

*Subd. 2. [TAX IMPOSED.] A tax is imposed on the self-employment income of an individual. The amount of the tax is equal to three-tenths percent of taxable self-employment income for the taxable year.*

*Subd. 3. [RETURNS; PAYMENT.] The tax must be reported and paid to the commissioner in the same manner and at the same times as the tax imposed in section 290.03 is reported and paid. The provisions of section 290.93 apply to the tax imposed in this section.*

*Subd. 4. [PENALTIES; INTEREST.] To the extent applicable to the taxes imposed in this section, all civil and criminal penalties and the imposition of interest relating to the reporting and payment of taxes under section 290.03 apply to the tax imposed in this section.*

*Subd. 5. [REFUNDS.] Overpayments of the tax imposed in this section must be refunded or credited as provided in sections 290.50 and 290.93.*

*Subd. 6. [POWERS OF THE COMMISSIONER.] The commissioner has the powers given in this chapter to administer, assess, collect, and enforce the tax imposed in this section.*

*Subd. 7. [DEPOSIT OF FUNDS.] The taxes paid to the commissioner under this section together with penalties and interest must be deposited in the general fund and credited to the health care access account created in section 11. Refunds of the tax imposed in this section and the administrative expenses of the commissioner must be paid from that account. There is annually appropriated to the commissioner from the health care access account the amounts required to pay the refunds of tax imposed in this section.*

**Sec. 14. [UNCOMPENSATED CARE STUDY.]**

*The commission shall study the problem of uncompensated health care*

*in the state and report to the legislature and the governor. The report shall include definitions of the terms "uncompensated care", "unsponsored care", and "bad debt", as they relate to the providing of health care in this state. The commission shall collect data necessary to determine the nature and extent of the problem. The report must include recommendations for more equitably distributing the burden of uncompensated health care in this state.*

Sec. 15. [APPROPRIATION.]

*§ . . . . is appropriated from the general fund to the health care access commission to pay for the administrative and operating expenses of the commission. The appropriation is available until June 30, 1990, at which time the commission shall repay this amount to the general fund from the account created in section 11.*

Sec. 16. [EFFECTIVE DATES.]

*(a) Sections 1 to 4 and 8 to 11, 14, and 15 are effective July 1, 1989.*

*(b) Sections 12 and 13 are effective January 1, 1990.*

*(c) Sections 5 to 7 are effective July 1, 1990.*

ARTICLE 2

Section 1. Minnesota Statutes 1988, section 256B.056, subdivision 4, is amended to read:

Subd. 4. [INCOME.] To be eligible for medical assistance, a person must not have, or anticipate receiving, semiannual income in excess of ~~45 133-~~ ~~113~~ percent of the income standards by family size used in the aid to families with dependent children program; ~~except that families and children may have an income up to 133-1/3 percent of the AFDC income standard.~~ Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509.

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements and funding sources; modifying income eligibility requirements for medical assistance; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 256B.056, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62J."

And when so amended the bill be re-referred to the Committee on Commerce without recommendation. Amendments adopted. Report adopted.

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

S.F. No. 745: A bill for an act relating to human services; encouraging increased efforts to collect child support for public and nonpublic assistance

clients; presuming paternity when blood tests are 99 percent positive; excluding public assistance from income for maintenance and support determinations in divorce; establishing an administrative process to obtain and enforce support orders; appropriating money; amending Minnesota Statutes 1988, sections 15A.083, by adding a subdivision; 256.979; 257.55, subdivision 1; 257.62, subdivision 5; 518.54, subdivision 6; 518.551, subdivision 10; 518.611, subdivision 4; 518.613; and 518.614, subdivision 1; repealing Minnesota Statutes 1988, section 518.613, subdivision 5.

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

Pages 1 to 3, delete section 1

Page 5, line 4, after "child" insert ", calculated with a prior probability of no more than 0.5 (50 percent)."

Page 5, line 8, strike the first "the" and after "tests" insert "completed in a laboratory accredited by the American Association of Blood Banks"

Page 5, line 9, after "paternity" insert ", calculated with a prior probability of no more than 0.5 (50 percent).", and strike "more than" and after "percent" insert "or greater"

Page 5, line 15, delete the second "the" and after "tests" insert "completed in a laboratory accredited by the American Association of Blood Banks"

Page 5, line 16, after "paternity" insert ", calculated with a prior probability of no more than 0.5 (50 percent)."

Page 9, lines 1 to 5, reinstate the stricken language and delete the new language

Page 9, line 17, after "entered" insert ", unless the requirements of this section have been waived under subdivision 6" and before "The" insert "By January 1, 1990,"

Page 9, line 19, after the period, insert "The form must be made a part of the decree by reference."

Page 9, line 36, delete "November" and insert "May"

Page 10, line 2, delete "November" and insert "May"

Page 10, after line 12, insert:

"Subd. 6. [WAIVER.] (a) The court may waive the requirements of this section if the court finds that there is no arrearage in child support or maintenance as of the date of the hearing, that it would not be contrary to the best interests of the child, and: (1) one of the parties demonstrates, and the court finds, that there is good cause to waive the requirements of this section or to terminate automatic income withholding on an order previously entered under this section; or (2) all parties reach a written agreement that provides for an alternative payment arrangement and the agreement is approved by the court after a finding that the agreement is likely to result in regular and timely payments. If the court waives the requirements of this section:

(1) in all cases where the obligor is at least 30 days in arrears, withholding must be carried out pursuant to section 518.611;

(2) the obligee may at any time and without cause request the court to

*issue an order for automatic income withholding under this section; and*

*(3) the obligor may at any time request the public authority to begin withholding pursuant to this section, by serving the public authority such a request, a copy of the order for child support or maintenance, and an application fee not to exceed \$5. Upon receipt of the request, the public authority shall 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. The public authority shall notify the court that withholding has begun at the request of the obligor pursuant to this clause.*

*(b) For purposes of this subdivision, "parties" includes the public authority in cases when it is a party pursuant to section 518.551, subdivision 9."*

Page 10, delete section 8

Page 11, delete line 2 and insert "increase the amount of money distributed as child support collection incentive awards in accordance with Minnesota Rules, parts 9500.1800 to 9500.1821."

Page 11, delete line 7 and insert:

*"Sections 1 to 5; 6, subdivisions 1 to 4; 7; and 8; are effective July 1, 1989. Section 6, subdivision 6, is effective the day following final enactment and applies to support and maintenance orders entered or modified before, on, or after the effective date."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "encouraging increased"

Page 1, delete line 3

Page 1, line 4, delete "nonpublic assistance clients;"

Page 1, line 11, delete "256.979;"

Page 1, line 13, after the second semicolon, insert "and" and delete "and"

Page 1, line 14, delete "518.614, subdivision 1"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 313: A bill for an act relating to occupations and professions; requiring the licensing of interior designers; defining the practice of interior design; providing for administration of licensing requirements; amending Minnesota Statutes 1988, sections 214.01, subdivision 3; 214.04, subdivision 3; 326.02, subdivision 1, and by adding a subdivision; 326.03, subdivision 1; 326.031; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 2a; 326.11, subdivision 1; 326.12; 326.13; and 326.14.

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

Page 1, line 19, strike everything after "of"

Page 1, line 20, delete the comma and strike "landscape architecture"

and delete the new language and insert "*design professions*"

Page 2, line 18, strike "architecture, engineering, land surveying" and delete the comma

Page 2, line 19, strike "landscape architecture" and delete the new language and insert "*design professions*"

Page 4, delete lines 4 to 31 and insert:

"*Subd. 4b. [PRACTICE OF INTERIOR DESIGN.] (a) A person shall be considered to be practicing as a licensed interior designer, within the meaning of sections 326.02 to 326.15, if that person claims to be able to perform or does perform any professional service, such as consultation, study, or the preparation of plans and specifications in connection with using the principles of aesthetics in the design of interior public spaces, planning for public interior space utilization, the selection of furnishings that are required to meet code, the design of nonstructural elements for public interior spaces, and services intended for the safeguarding of the public life, health, and property and the promoting of the public welfare.*

*(b) Licensed interior designers are prohibited from designing buildings, building structural systems, or mechanical, electrical, or fire and life safety systems for buildings.*

*(c) Architects licensed to practice in this state and the design of building systems by professional engineers are exempt from the provisions of this subdivision.*

*(d) This subdivision does not apply to those persons claiming to be interior designers who offer residential interior design services, including the selection of or assistance in selecting interior surface materials, window treatments, wall coverings, paint, floor coverings, surface mounted lighting fixtures, or loose furnishings not subject to regulation under applicable building codes."*

Page 5, line 27, strike everything after "OF"

Page 5, line 28, strike the old language and delete the new language and insert "*DESIGN PROFESSIONS*"

Page 5, line 30, strike everything after "of"

Page 5, line 31, strike the old language and delete the new language

Page 5, line 32, after "*design*" insert "*professions*"

Page 9, line 10, after "*and*" insert "*in the case of interior designers*"

Page 9, line 11, delete "*in the case of interior designers*" and insert "*or an educational institution accredited by the Foundation for Interior Design Education Research*"

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 the following appointment as reported in the Journal for January 12, 1989:

**DEPARTMENT OF LABOR AND INDUSTRY  
COMMISSIONER**

Kenneth Peterson

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. 27, 754, 878, 1011, 738, 665, 827, 588, 666, 322, 901, 184, 521, 886, 344, 787 and 839 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 279, 461, 702 and 135 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Chmielewski moved that the name of Mr. Beckman be added as a co-author to S.F. No. 186. The motion prevailed.

Ms. Berglin moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 321. The motion prevailed.

Ms. Berglin moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 682. The motion prevailed.

Mr. Mehrkens moved that the names of Mr. Dahl and Ms. Berglin be added as co-authors to S.F. No. 1005. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Marty be added as a co-author to S.F. No. 1049. The motion prevailed.

Mr. Pogemiller moved that the names of Mr. Dahl and Ms. Piper be added as co-authors to S.F. No. 1104. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 1134. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 1135. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 1136. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 1137. The motion prevailed.

Mr. Chmielewski moved that the names of Mr. Moe, R.D. and Mrs. Lantry be added as co-authors to S.F. No. 1156. The motion prevailed.

Mr. Luther moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1169. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 78: A Senate resolution commending Richard Volkert for his years of dedication and service to Minnesota veterans.

Referred to the Committee on Rules and Administration.

Mr. Frederick introduced—

Senate Resolution No. 79: A Senate resolution congratulating the Owatonna High School Boys Basketball Team for winning the 1989 State High School Class AA Basketball Championship.

Referred to the Committee on Rules and Administration.

### CALENDAR

H.F. No. 95: A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.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 57 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	Laidig	Morse	Schmitz
Belanger	DeCramer	Langseth	Novak	Solon
Benson	Dicklich	Lantry	Olson	Spear
Berg	Diessner	Larson	Pariseau	Storm
Berglin	Frank	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Bertram	Freeman	Marty	Peterson, R.W.	Waldorf
Brandl	Hughes	McGowan	Piper	
Brataas	Johnson, D.E.	McQuaid	Pogemiller	
Cohen	Johnson, D.J.	Merriam	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 218: A bill for an act relating to health; amending the bill of rights for patients and residents of health facilities; requiring health facilities to notify family members of the admission of a patient or resident under certain circumstances; amending Minnesota Statutes 1988, section 144.651, subdivision 10.

Mr. Moe, R.D. moved that S.F. No. 218, No. 2 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S.F. No. 126: A bill for an act relating to traffic regulations; providing for suspension of driver's license of certain persons failing to appear in court; setting a fee; amending Minnesota Statutes 1988, sections 169.92; 171.01, subdivision 13; and 171.20, 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 387: A bill for an act relating to traffic regulations; exempting state patrol troopers from requirement of security barrier in marked state patrol vehicles; amending Minnesota Statutes 1988, section 169.98, 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 509: A bill for an act relating to the city of St. Peter; providing for a seven-member municipal hospital board and a nine-member economic development 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 59 and nays 0, as follows:

Those who voted in the affirmative were:



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

So the bill passed and its title was agreed to.

H.F. No. 410: A bill for an act relating to public safety: defining high pressure piping; regulating the practice of pipefitting; amending Minnesota Statutes 1988, section 326.461, 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 203: A bill for an act relating to intoxicating liquor: authorizing an on-sale liquor license for the Minneapolis convention center, the Orpheum Theatre, and the State Theatre; amending Minnesota Statutes 1988, section 340A.404, subdivision 2; repealing Laws 1973, chapter 505.

Was read the third time 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 4, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	McGowan	Purfeerst
Anderson	Dahl	Johnson, D.E.	McQuaid	Reichgott
Beckman	Davis	Johnson, D.J.	Moe, R. D.	Schmitz
Belanger	Decker	Knaak	Morse	Solon
Benson	DeCramer	Knutson	Novak	Spear
Berg	Dicklich	Kroening	Pariseau	Storm
Berglin	Diessner	Langseth	Pehler	Stumpf
Bernhagen	Frank	Lantry	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.J.	Lessard	Peterson, R. W.	Waldorf
Brandl	Frederickson, D.R.	Luther	Piper	
Brataas	Freeman	Marty	Pogemiller	

Messrs. Laidig; Larson; Moe, D.M. and Renneke voted in the negative.

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

S.F. No. 264: A bill for an act relating to health; requiring that health care providers timely furnish patient health records and reports; amending Minnesota Statutes 1988, section 144.335, 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	Decker	Knutson	Moe, R.D.	Schmitz
Belanger	DeCramer	Laidig	Morse	Spear
Benson	Dicklich	Langseth	Olson	Storm
Berg	Diessner	Lantry	Pariseau	Stumpf
Berglin	Frank	Larson	Pehler	Vickerman
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Waldorf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	
Brandl	Freeman	Marty	Piper	
Brataas	Hughes	McGowan	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### MOTIONS AND RESOLUTIONS

Mr. Peterson, R.W. moved that S.F. No. 754, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. 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. 214: Messrs. Pogemiller, Belanger and Johnson, D.J.

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.

Mr. Pehler, Mses. Berglin; Peterson, D.C.; Messrs. Brandl and Knutson introduced—

S.F. No. 1173: A bill for an act relating to human services; requiring counties to contract with post-secondary education institutions regarding child care payments for students on AFDC; guaranteeing continued child care assistance to eligible students who change their county of residence; appropriating money; amending Minnesota Statutes 1988, sections 256.736, subdivision 8; and 256H.08.

Referred to the Committee on Health and Human Services.

Mr. Benson introduced—

S.F. No. 1174: A bill for an act relating to public lands; conditions for acceptance of transfers from the federal government; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Mr. DeCramer introduced—

S.F. No. 1175: A bill for an act relating to education; updating the language and procedures with respect to certain state university bonding authority; amending Minnesota Statutes 1988, section 136.31, subdivisions 3 and 5.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 1176: A bill for an act relating to retirement; authorizing purchase of prior service credit in the public employees retirement association by a certain Dakota county elected official.

Referred to the Committee on Governmental Operations.

Messrs. Cohen and Solon introduced—

S.F. No. 1177: A bill for an act relating to commerce; securities regulation; providing for annual expiration of certain securities registration statements; modifying fees payable on registration of certain securities; amending Minnesota Statutes 1988, sections 80A.12, subdivision 9; and 80A.28, subdivision 1.

Referred to the Committee on Commerce.

Mr. Frederickson, D.J. and Ms. Peterson, D.C. introduced—

S.F. No. 1178: A bill for an act relating to education; providing elementary school students counseling on the dangers of inhalant abuse; providing grants for student volunteers to work with young inhalant abusers; developing curriculum on inhalants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 1179: A bill for an act relating to state government; regulating the location of state agencies; amending Minnesota Statutes 1988, sections

16B.24, by adding subdivisions; 43A.01, by adding a subdivision; and 43A.15, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1180: A bill for an act relating to taxation; property tax; limiting property tax paid by certain retired persons on certain seasonal, recreational, nonhomestead property; providing for state reimbursement for lost local tax revenue; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dicklich introduced—

S.F. No. 1181: A bill for an act relating to education; allowing alternative postseason extracurricular competition; proposing coding for new law in Minnesota Statutes, chapter 129.

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 1182: A bill for an act relating to water; directing the commissioner of health to contract for technical assistance for rural water systems; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Luther, Mrs. McQuaid and Mr. Cohen introduced—

S.F. No. 1183: A bill for an act relating to insurance; accident and health; requiring coverage for the diagnosis and treatment of infertility to the same extent as covered pregnancy-related benefits; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Luther introduced—

S.F. No. 1184: A bill for an act relating to probate; modifying provisions for the award of sentimental property and family allowances; amending Minnesota Statutes 1988, sections 525.151; and 525.152.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 1185: A bill for an act relating to veterans; appropriating money for use by the Vietnam Veterans of America in assisting veterans to make claims against the United States government.

Referred to the Committee on Veterans and Military Affairs.

Messrs. Johnson, D.E. and Bertram introduced—

S.F. No. 1186: A bill for an act relating to taxation; property; providing a special levy for city libraries; amending Minnesota Statutes 1988, section

275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 1187: A bill for an act relating to taxation; providing an income tax credit for compensation paid for service in the United States armed forces reserve; amending Minnesota Statutes 1988, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frank, Mrs. Lantry and Mr. Laidig introduced—

S.F. No. 1188: A bill for an act relating to traffic regulations; regulating use of seat belts and child passenger restraint systems; amending Minnesota Statutes 1988, section 169.685.

Referred to the Committee on Transportation.

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

S.F. No. 1189: A bill for an act relating to state buildings; establishing a state policy of barrier-free environments for state owned and leased buildings; appropriating money.

Referred to the Committee on Governmental Operations.

Ms. Berglin, Mrs. Lantry, Messrs. Frank, Samuelson and Knutson introduced—

S.F. No. 1190: A bill for an act relating to human services; authorizing the establishment of congregate housing service programs under the administration of the Minnesota board on aging, for elderly and handicapped persons living in subsidized housing developments; establishing a congregate services advisory committee; authorizing a congregate housing resource center; establishing a grant program for congregate housing services; authorizing demonstration projects; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1191: A bill for an act relating to political subdivisions; permitting participation in risk retention groups; amending Minnesota Statutes 1988, section 471.981, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Merriam, Luther, Pehler, Morse and Bernhagen introduced—

S.F. No. 1192: A bill for an act relating to education; equalizing a portion of the referendum levy; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

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

S.F. No. 1193: A bill for an act relating to education; providing aid for certain international baccalaureate program costs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Ms. Berglin, Mr. Brandl, Ms. Piper, Mr. Ramstad and Mrs. Lantry introduced—

S.F. No. 1194: A bill for an act relating to human services; exempting certain nursing homes from other operating cost limits; amending Minnesota Statutes 1988, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Messrs. Metzen, Schmitz, Mrs. Pariseau, Messrs. Purfeerst and Knutson introduced—

S.F. No. 1195: A bill for an act relating to counties; providing conditions for the disposition of county property; amending Minnesota Statutes 1988, section 373.01, subdivision 1.

Referred to the Committee on Local and Urban Government.

Mrs. Lantry introduced—

S.F. No. 1196: A bill for an act relating to nursing home admission agreements; prohibiting use of blanket waivers of liability by continuing care facilities and nursing homes; requiring nursing home admission agreements to be available to the public and clarifying that such agreements are consumer contracts; prohibiting nursing homes from requiring third party guarantors; requiring nursing homes to identify their status as medical assistance providers; prohibiting use of blanket consents for treatment; requiring written acknowledgment that residents have received a copy of the patients' bill of rights; providing penalties; amending Minnesota Statutes 1988, section 80D.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Dahl; Moe, R.D.; Peterson, R.W.; Merriam and Knaak introduced—

S.F. No. 1197: A bill for an act relating to natural resources; establishing a task force to study and report on metropolitan water management issues; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Messrs. Stumpf, Langseth and DeCramer introduced—

S.F. No. 1198: A bill for an act relating to motor vehicles; setting fee for inspection of certain motor vehicles for which salvage certificate of title has been issued; amending Minnesota Statutes 1988, section 168A.152.

Referred to the Committee on Transportation.

Messrs. Stumpf, Langseth and DeCramer introduced—

S.F. No. 1199: A bill for an act relating to transportation; authorizing transportation regulation board, on petition by a city, to determine at which railroad crossings a train is not allowed to stop; amending Minnesota Statutes 1988, section 219.383, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. DeCramer and Purfeerst introduced—

S.F. No. 1200: A bill for an act relating to traffic regulations; defining terms; subjecting driver of commercial motor vehicle to stricter federal standard on alcohol-related driving; providing for and regulating category of commercial driver's license and commercial motor vehicle drivers; authorizing Minnesota to join driver license compact; allowing exchange of driver license information with other states; promoting consolidated, complete driver record; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 168.011, subdivision 9; 169.01, subdivision 50, and by adding a subdivision; 169.123, subdivisions 2, 4, 5, 5a, 5b, 5c, and 6; 171.01, subdivision 19, and by adding subdivisions: 171.02, subdivision 2; 171.03; 171.04; 171.06, subdivisions 2 and 3; 171.07, by adding a subdivision; 171.10, subdivision 2; 171.12, subdivision 2; 171.13, subdivision 5; 171.14; 171.16, subdivision 1; 171.18; 171.19; 171.20; 171.22, subdivision 1; 171.24; and 171.30, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 169 and 171.

Referred to the Committee on Transportation.

Messrs. Moe, D.M.; Pogemiller; Morse; Waldorf and Renneke introduced—

S.F. No. 1201: A bill for an act relating to retirement; teachers retirement association; making various administrative changes in the laws governing operation of the association; establishing an appeal procedure; amending Minnesota Statutes 1988, sections 136.81, subdivision 1; 136.82, subdivisions 1 and 2; 354.05, subdivisions 35 and 37; 354.06, by adding a subdivision; 354.07, subdivision 3; 354.091; 354.092; 354.10, subdivision 2; 354.35; 354.42, subdivision 7; 354.44, subdivisions 3, 5, and 8; 354.47, subdivision 2; 354.48, subdivisions 1 and 2; 354.65; 356.30, subdivision 2; 356.371, subdivision 3; and 356.80, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 354; repealing Minnesota Statutes 1988, sections 136.88, subdivision 3; 354.41, subdivision 3; 354.531; 354.532; 354.55, subdivision 5; and 354.56.

Referred to the Committee on Governmental Operations.

Messrs. Novak, Purfeerst, Mrs. Lantry, Mr. Langseth and Mrs. McQuaid introduced—

S.F. No. 1202: A bill for an act relating to metropolitan government; restructuring the regional transit board and the metropolitan transit commission; directing the board to plan and coordinate light rail transit systems in the metropolitan area; directing the commission to operate any light rail transit systems; transferring responsibility for distribution of the transit assistance fund and for receipt of federal grants to the board; amending

Minnesota Statutes 1988, sections 174.32, subdivision 2; 473.169, subdivisions 3, 4, 5, and by adding subdivisions; 473.373, by adding a subdivision; 473.375, subdivision 8, and by adding a subdivision; 473.404, subdivisions 2 and 3; and 473.4051; repealing Minnesota Statutes 1988, sections 473.1691; 473.17; 473.373, subdivision 4; and 473.398.

Referred to the Committee on Transportation.

Messrs. Hughes, Langseth and Larson introduced—

S.F. No. 1203: A bill for an act relating to education; providing for a computer technology access program for teachers; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 125 and 135A.

Referred to the Committee on Education.

Ms. Reichgott and Mr. Luther introduced—

S.F. No. 1204: A bill for an act relating to appropriations; providing funds for Twin Cities Regional Cable.

Referred to the Committee on Finance.

Messrs. Morse, Brandl, Schmitz, Mrs. Adkins and Mr. Benson introduced—

S.F. No. 1205: A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1988, section 3.981, subdivision 2, 8, and by adding subdivisions; 3.982; 3.983, subdivision 3; 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and 14; repealing Minnesota Statutes 1988, section 3.981, subdivisions 4, 5, and 9.

Referred to the Committee on Local and Urban Government.

Mr. Frederickson, D.J. introduced—

S.F. No. 1206: A bill for an act relating to the city of Redwood Falls; exempting certain levies from a penalty.

Referred to the Committee on Taxes and Tax Laws.

Mr. Decker introduced—

S.F. No. 1207: A bill for an act relating to libraries; providing funds for library construction in Kitchigami Regional Library system; authorizing the sale of state bonds; appropriating money.

Referred to the Committee on Education.

Messrs. Larson and Decker introduced—

S.F. No. 1208: A bill for an act relating to retirement; adopting a rule of 90 for members of the teachers retirement association; amending Minnesota Statutes 1988, section 354.44, subdivision 6.

Referred to the Committee on Governmental Operations.



Messrs. Decker, Storm and Ms. Piper introduced—

S.F. No. 1209: A bill for an act relating to human services; requiring the commissioner to pay for a percentage of certain services for access to medically necessary services; amending Minnesota Statutes 1988, section 256B.19, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Bernhagen introduced—

S.F. No. 1210: A bill for an act relating to human services; providing for the allocation of central, affiliated, or corporate office costs of long-term care facilities participating in the medical assistance program; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Messrs. Marty, Pogemiller, Purfeerst, Renneke and Spear introduced—

S.F. No. 1211: A bill for an act relating to human services; expanding the powers and duties of the council for the hearing impaired; amending Minnesota Statutes 1988, section 256C.28, subdivision 3, and by adding subdivisions.

Referred to the Committee on Health and Human Services.

Messrs. Beckman and Bertram introduced—

S.F. No. 1212: A bill for an act relating to taxation; providing an income tax credit for compensation paid for service in the National Guard; amending Minnesota Statutes 1988, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Beckman and Bertram introduced—

S.F. No. 1213: A bill for an act relating to taxation; income; providing an exclusion for national guard retirement payments; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Beckman and Bertram introduced—

S.F. No. 1214: A bill for an act relating to taxation; income; providing an exclusion for military retirement payments; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Decker, Larson and Anderson introduced—

S.F. No. 1215: A bill for an act relating to the English language; making it the official language of the state; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Governmental Operations.

Messrs. Decker, Stumpf and Ms. Olson introduced—

S.F. No. 1216: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Messrs. Decker and Stumpf introduced—

S.F. No. 1217: A bill for an act relating to retirement: allowing purchase of allowable service credit for sabbatical leave by certain teachers employed by the Bemidji school district.

Referred to the Committee on Governmental Operations.

Messrs. Decker, Renneke, Stumpf and Anderson introduced—

S.F. No. 1218: A bill for an act relating to water use; requiring the city of Minneapolis to develop alternative water supplies.

Referred to the Committee on Environment and Natural Resources.

Messrs. Decker, Anderson, Larson and Stumpf introduced—

S.F. No. 1219: A bill for an act relating to highways; naming a segment of state trunk highway No. 64 as the Leonard Dickinson Memorial Highway; amending Minnesota Statutes 1988, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Freeman introduced—

S.F. No. 1220: A bill for an act relating to public employment; equitable compensation relationships; clarifying the application of equitable compensation relationship requirements to balanced classes; amending Minnesota Statutes 1988, section 471.9981, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mrs. McQuaid introduced—

S.F. No. 1221: A bill for an act relating to the city of Hopkins; authorizing the establishment of special service districts.

Referred to the Committee on Local and Urban Government.

Mrs. Pariseau, Messrs. Frederickson, D.R.; Davis and DeCramer introduced—

S.F. No. 1222: A bill for an act relating to motor fuels; abolishing requirement that labeling of gasoline-alcohol blends be placed on dispenser; amending Minnesota Statutes 1988, section 239.79, subdivision 2.

Referred to the Committee on Commerce.

Messrs. Davis; Bertram; Moe, R.D.; Benson and Morse introduced—

S.F. No. 1223: A bill for an act relating to agriculture; changing the dairy industry checkoff rate; amending Minnesota Statutes 1988, section 17.59, by adding a subdivision.

Referred to the Committee on Agriculture and Rural Development.

Mr. Dicklich introduced—

S.F. No. 1224: A bill for an act relating to retirement; authorizing increases in benefits payable by the Virginia police relief association; amending Laws 1982, chapter 574, section 5, as amended.

Referred to the Committee on Governmental Operations.

Mr. Novak introduced—

S.F. No. 1225: A bill for an act relating to taxation; liquor; changing the time limit for certain claims for refund; amending Minnesota Statutes 1988, section 297C.06, subdivisions 2 and 5.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Metzen, Solon, Frederick, Taylor and Freeman introduced—

S.F. No. 1226: A bill for an act relating to commerce; securities; exempting nonissuer sales of securities issued by the state, its subdivisions, or instrumentalities from regulation; amending Minnesota Statutes 1988, section 80A.15, subdivision 2.

Referred to the Committee on Commerce.

Messrs. Metzen, Solon, Frederick, Taylor and Freeman introduced—

S.F. No. 1227: A bill for an act relating to commerce; providing for the regulation of real estate closing agents; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 82.17, subdivisions 7, 9, and 10; 82.18; 82.19, subdivisions 1, 2, 3, and 4; 82.20, subdivisions 1, 2, 3, 4, 5, 8, and 12; 82.21, subdivision 1; 82.22, subdivisions 1, 5, 6, 10, and 11; 82.23, subdivisions 2 and 3; 82.24, subdivisions 1, 2, 3, 4, 5, 6, and 7; 82.27, subdivisions 1 and 2; 82.30, subdivision 1; 82.31, subdivision 1; 82.33, subdivision 1; 82.34, subdivisions 3, 4, 6, 7, 13, and 14; and 609.52, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 82.34, subdivision 12.

Referred to the Committee on Commerce.

Messrs. DeCramer, Stumpf, Dicklich and Moe, R.D. introduced—

S.F. No. 1228: A bill for an act relating to education; establishing revenue for cooperating districts to improve educational programs; establishing revenue for districts to cooperate for a certain time and combine; appropriating money; amending Minnesota Statutes 1988, sections 122.43, subdivision 1; 124A.22, subdivisions 5, 6, and by adding a subdivision; and 275.125, subdivision 8e; proposing coding for new law in Minnesota Statutes, chapters 122; 124; and 129B.

Referred to the Committee on Education.

Messrs. DeCramer and Freeman introduced—

S.F. No. 1229: A bill for an act relating to education; requiring the state university board to study the feasibility of acquiring a site to broaden

services within the metropolitan area and additional, related issues; requiring a joint study with the state board for community colleges; appropriating money.

Referred to the Committee on Education.

Ms. Reichgott, Messrs. Frank, Diessner, Hughes and Freeman introduced—

S.F. No. 1230: A bill for an act relating to education; providing for cost of living differential revenue; appropriating money; amending Minnesota Statutes 1988, section 124A.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Messrs. Novak and Marty introduced—

S.F. No. 1231: A bill for an act relating to education; providing for cost of living differential revenue; appropriating money; amending Minnesota Statutes 1988, section 124A.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 1232: A bill for an act relating to education; providing for cost of living differential revenue; appropriating money; amending Minnesota Statutes 1988, section 124A.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Ms. Berglin, Mrs. Lantry, Messrs. Solon and Storm introduced—

S.F. No. 1233: A bill for an act relating to human services; expanding the work readiness program; removing time limits on work readiness assistance; requiring participation in work readiness activities as a condition of receiving assistance; establishing notice and appeal requirements; establishing residency requirements; amending Minnesota Statutes 1988, sections 256D.01, subdivisions 1, 1a, 1b, and 1c; 256D.02, subdivisions 1, 4, and by adding a subdivision; 256D.03, subdivision 2; 256D.05, subdivision 1, and by adding a subdivision; 256D.051, subdivisions 1, 2, 3, 6, 8, 13, and by adding subdivisions; 256D.052, subdivisions 1, 2, 3, and 4; 256D.101; 2456D.111, subdivision 5; and 256G.03, subdivision 1; repealing Minnesota Statutes 1988, section 256D.052, subdivisions 5, 6, and 7.

Referred to the Committee on Health and Human Services.

## ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 6:30 p.m., Tuesday, March 28, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-FIFTH DAY

St. Paul, Minnesota, Tuesday, March 28, 1989

The Senate met at 6:30 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 Senator Pat Piper.

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

Adkins	Dahl	Johnson, D.E.	Merriam	Purfeerst
Anderson	Davis	Johnson, D.J.	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	Pariseau	Storm
Bertram	Frederickson, D.J.	Lessard	Pehler	Stumpf
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brataas	Freeman	Marty	Peterson, R.W.	Waldorf
Chmielewski	Gustafson	McGowan	Piper	
Cohen	Hughes	McQuaid	Pogemiller	

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. Ramstad was excused from the Session of today. Messrs. Chmielewski, Johnson, D.J. and Novak were excused from the Session of today from 6:30 to 7:30 p.m. Mr. Bertram was excused from the Session of today from 6:30 to 7:00 p.m. Mr. Stumpf was excused from the Session of today from 6:30 to 6:50 p.m. Mr. Waldorf was excused from the Session of today from 6:30 to 8:30 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 7, 1989

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:

Erin McCabe, 514 1/2 N.W. 26th St., Bemidji, Beltrami County, has been appointed by me, effective March 4, 1989, for a term expiring the first Monday in January, 1991.

Julie Bleyhl, R.R. 3, Box 94, Madison, Lac Qui Parle County, has been appointed by me, effective March 4, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

March 14, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Rodney Searle, Rt. 1, Box 44, Waseca, Waseca County, has been appointed by me, effective February 6, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

Sincerely,  
Rudy Perpich, Governor

### REPORTS OF COMMITTEES

Mr. Merriam 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. 619: A bill for an act relating to human services; disregarding the first \$50 of child support received when determining eligibility for food stamps; expanding the local income assistance grant program; appropriating money; amending Minnesota Statutes 1988, section 393.07, subdivision 10; and Laws 1988, chapter 689, article 2, sections 248, and 269, subdivision 2.

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

Page 4, line 24, delete "\$600,000" and insert "\$350,000"

Page 4, line 25, delete "\$600,000" and insert "\$850,000" and delete "This"

Page 4, delete lines 26 to 36

Page 5, delete lines 1 and 2 and insert "*The primary purpose of this*"

*appropriation is to expand the home-delivered meals program beyond the funding level for the calendar year ending December 31, 1988.*"

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. 730: A bill for an act relating to human services; providing for the distribution of money for head start programs to expand services to additional children from low income families; proposing coding for new law in Minnesota Statutes, chapter 268.

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

Page 1, after line 25. insert:

*"Subd. 5. [PROGRAM ACCOUNT 23.] "Program account 23" means the federally designated and funded account for all day services."*

Page 1, line 26. delete "5" and insert "6"

Page 2, line 5. before "low-income" insert "additional"

Page 2, line 7. delete everything after the period

Page 2, delete lines 8 to 12

Page 2, line 13. delete everything before the third "The" and insert *"Migrant and Indian reservation grantees must be initially allocated money based on the grantees' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A head start grantee must be funded at a per child rate equal to its contracted, federally funded base level for program accounts 20 to 26 at the start of the fiscal year."*

Page 3, line 2. after "regulations" insert *", and except that when a state statute or regulation conflicts with a federal statute or regulation, the state statute or regulation prevails"*

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. 650: A bill for an act relating to human services; setting a minimum level for the amount of assistance under the aid to families with dependent children program; amending Minnesota Statutes 1988, section 256.74, 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. [INCOME MAINTENANCE GRANT INCREASE.]*

*The commissioner of human services shall increase the grant standards*

*for the aid to families with dependent children program and the general assistance and work readiness programs by three percent effective July 1, 1989, and an additional three percent effective July 1, 1990.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective July 1, 1989."*

Delete the title and insert:

"A bill for an act relating to human services; increasing AFDC, general assistance, and work readiness grants."

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 and Rural Development, to which was referred

S.F. No. 976: A bill for an act relating to agriculture; renaming the commissioner and department of agriculture as the commissioner and department of agriculture and food; clarifying the commissioner's authority and responsibilities; providing for demonstration projects to allow women, infants, and children program recipients to redeem coupons for Minnesota grown food; appropriating money; amending Minnesota Statutes 1988, sections 17.01 and 17.013; 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 2, line 31, after "*coupons*" insert "*to participants in the federal supplemental food program*" and delete "*program recipients*"

Page 3, line 2, after "*to*" insert "*participants in the federal supplemental food program for*"

Page 3, line 3, delete "*program recipients*"

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 and Rural Development, to which was referred

S.F. No. 947: A bill for an act relating to appropriations; appropriating funds for replanting of trees.

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

Delete everything after the enacting clause and insert:

"Section 1. [COST-SHARE FOR REPLACING DROUGHT-KILLED TREE SEEDLINGS.]

*Subdivision 1. [ELIGIBILITY FOR COST-SHARE.] A landowner, who planted tree seedlings after January 1, 1986, and whose land is enrolled in the federal conservation reserve program under Public Law Number 99-198, is eligible for state cost-share funds to replant tree seedlings that died as the result of drought.*

*Subd. 2. [AMOUNT OF COST-SHARE.] A landowner who is applying*



*for tree replanting reimbursement through the federal conservation reserve program may receive a state cost-share of 25 percent of the total cost of replanting, not to exceed \$35 per acre, to replant tree seedlings that died.*

*Subd. 3. [DISTRIBUTION OF COST-SHARE FUNDS.] (a) State cost-share funds authorized under this section must be distributed to landowners by the soil and water conservation district where the land is located.*

*(b) Each affected soil and water conservation district must verify a landowner's eligibility for state cost-share funds.*

*(c) The commissioner of natural resources shall provide any technical assistance for tree replanting.*

**Sec. 2. [APPROPRIATION.]**

*\$500,000 is appropriated to the board of water and soil resources from the general fund for the state cost-share under section 1 to be available until expended.*

**Sec. 3. [EXTENSION OF FOREST MANAGEMENT FUND NURSERIES ACCOUNT.]**

*The appropriation of dedicated receipts from the forest management fund nurseries account under section 89.04 is extended by \$600,000 annually specifically for the purchase, growing, and distribution of seedlings to replace those killed by drought.*

**Sec. 4. [EFFECTIVE DATE.]**

*This act is effective July 1, 1989."*

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 852: A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; providing for annual adjustment of gasoline tax rate; transferring an additional ten percent of motor vehicle excise tax receipts for highways and transit; authorizing sale of state transportation bonds; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; 296.02, subdivision 1b, and by adding a subdivision; and 297B.09, subdivision 1; 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 4, line 2, strike ", except that on pickup trucks the"

Page 4, strike line 3

Page 4, line 7, strike everything after the stricken comma

Page 4, line 8, strike "value"

Page 5, line 32, strike "for"

Page 5, line 33, strike everything before the period

Page 6, line 13, after "*commissioner*" insert "*of transportation*"

Page 6, delete lines 29 and 30

Page 6, line 36, delete "*compressed natural gas*" and insert "*alternate fuel*"

Page 7, after line 4, insert:

*"The adjustment of the tax rate under this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act in chapter 14."*

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

H.F. No. 897: A bill for an act relating to local government; clarifying certain procedures for adoption of town optional plans of government; amending Minnesota Statutes 1988, sections 367.31, subdivisions 1, 2, 3, and 5; and 367.33, subdivisions 1 and 5.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 101 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.
101	27				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 101 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 101 and insert the language after the enacting clause of S.F. No. 27, the first engrossment; further, delete the title of H.F. No. 101 and insert the title of S.F. No. 27, the first engrossment.

And when so amended H.F. No. 101 will be identical to S.F. No. 27, and further recommends that H.F. No. 101 be given its second reading and substituted for S.F. No. 27, 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. 897 and 101 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. DeCramer moved that the name of Mr. Frederickson, D.J. be added as a co-author to S.F. No. 1228. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Marty be added as a co-author to S.F. No. 1095. The motion prevailed.

Mr. Moe, R.D. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1189. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 80: A Senate resolution congratulating the Cold Spring Rocori High School Boys Basketball Team for being Conference and Region Champions.

Referred to the Committee on Rules and Administration.

Mr. Diessner introduced—

Senate Resolution No. 81: A Senate resolution congratulating the Woodbury High School Girls Basketball Team on an outstanding 1989 basketball season and on their participation in the 1989 Class AA State High School Girls Basketball Championship.

Referred to the Committee on Rules and Administration.

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

Senate Resolution No. 82: A Senate resolution congratulating the Tracy/Milroy/Walnut Grove Girls Basketball Team for winning Fourth Place in the 1989 Class A State High School Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Orders of Business of the Consent Calendar and General Orders.

**CONSENT CALENDAR**

S.F. No. 1011: A bill for an act relating to highways; redesignating the AMVETS memorial highway as the American Veterans Memorial Highway; amending Minnesota Statutes 1988, section 161.14, subdivision 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 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	McQuaid	Pogemiller
Anderson	Davis	Johnson, D.E.	Merriam	Purfeerst
Beckman	Decker	Knutson	Moe, D.M.	Renneke
Belanger	DeCramer	Kroening	Moe, R.D.	Samuelson
Benson	Dicklich	Laidig	Morse	Solon
Berg	Diessner	Langseth	Olson	Spear
Berglin	Frank	Lantry	Pariseau	Storm
Brandl	Frederickson, D.J.	Lessard	Pehler	Vickerman
Brataas	Freeman	Marty	Peterson, D.C.	
Cohen	Gustafson	McGowan	Peterson, R.W.	

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. 163, 560, 114, 108, 390, 192, 681, 478, 699, 428, 82, 358, 133, 701, 332, 271, 331, 46, 260, 134, 831 and H.F. Nos. 702, 664, 481, 322 and 321, which the committee recommends to pass.

H.F. No. 323, which the committee recommends to pass, subject to the following motion:

Mr. Freeman moved that the amendment made to H.F. No. 323 by the Committee on Rules and Administration in the report adopted March 9, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 218, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 2, line 18, after the period, insert "*The county social service agency and local law enforcement agency shall assist the facility in identifying and notifying a family member. A county social service agency or local law enforcement agency that assists a facility in implementing this subdivision is not liable to the patient or resident for damages on the grounds that the notification or the participation of the family member was improper or violated the patient's privacy rights.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 210, which the committee recommends to pass, subject to the following motion:

Mr. Diessner moved that the amendment made to H.F. No. 210 by the Committee on Rules and Administration in the report adopted March 2, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 388, which the committee recommends to pass with the following amendment offered by Mr. Belanger:

Page 2, after line 34, insert:

"**BE IT FURTHER RESOLVED** by the Legislature of the State of Minnesota that the Congress of the United States make sufficient highway funds available to the states so that Minnesota and other states can proceed to timely completion of the interstate system and needed reconstruction and repair of federal aid highways."

Amend the title as follows:

Page 1, line 5, delete "and" and insert a comma

Page 1, line 6, before the period, insert ", and to make funds available for the completion and repair of federal aid highways"

The motion prevailed. So the amendment was adopted.

S.F. No. 493, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 1, line 20, delete "*has resided*" and insert "*would reside*"

Page 1, lines 21 and 22, delete "*has resided*" and insert "*would reside*"

Page 1, line 23, delete "*is*" and insert "*could be*"

The motion prevailed. So the amendment was adopted.

S.F. No. 200, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 2, line 17, delete "*nationally*"

Page 2, line 31, delete "*national*" and insert "*professional designation*"

Page 2, line 35, delete "*receiving*" and insert "*may not receive*"

Page 2, line 36, delete "*time spent in an approved course*" and insert "*classroom instruction*" and after "*the*" insert "*professional designation*"

Page 3, line 1, delete "*may not*" and insert "*and*"

Page 5, line 7, delete "*1990*" and insert "*1989*"

Page 5, line 11, after "*The*" insert "*continuing insurance education*"

Page 5, line 12, after "*commissioner*" insert "*of commerce*"

Page 5, line 15, after "*An*" insert "*insurance*" and delete everything after "*agent*" and insert "*passing a professional designation examination*"

Page 5, line 16, delete "*through home study*"

Page 5, line 19, delete everything after the first "*the*" and insert "*professional designation examination has been approved by the commissioner of commerce.*"

Page 5, delete line 20

The motion prevailed. So the amendment was adopted.

S.F. No. 618, which the committee recommends to pass with the following amendment offered by Mr. McGowan:

Page 1, line 14, delete "*employment by*"

Page 1, line 15, delete everything after "*district*" and insert a period

Page 1, delete lines 16 to 18

The motion prevailed. So the amendment was adopted.

S.F. No. 273, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Page 1, line 11, reinstate the stricken language and delete the new language

Page 1, line 12, reinstate the stricken "*district*" and delete "*must*" and insert "*and*" and after "*a*" insert "*current or former*"

The motion prevailed. So the amendment was adopted.

S.F. No. 60, which the committee recommends to pass with the following amendments offered by Messrs. DeCramer and Johnson, D.J.:

Mr. DeCramer moved to amend S.F. No. 60 as follows:

Page 65, line 21, delete "54" and insert "56"

Page 65, line 33, delete "Minnesota"

Page 65, line 34, after the first comma, insert "*and Laws 1969, chapter 272,*" and after "body" insert "*and a political subdivision of this state*"

Page 65, line 36, after "6" insert "; MN L 1969, c 272, sec 5"

Page 66, line 15, delete "(a)"

Page 66, line 18, delete everything after "elect" and insert "one member."

Page 66, delete lines 19 to 24

Page 66, line 25, delete "*the product of the calculation less one.*"

Page 66, line 26, after the second "2" insert "; MN L 1969, c 272. sec 1"

Page 67, line 3, before the semicolon, insert "*, provided that a municipality may supersede the district's action under this clause by adopting an ordinance specifically referring to the district's action by one year after initiation of the district's action*"

Page 67, line 15, before the semicolon, insert "*and to regulate mechanical and chemical means of removal of weeds and algae from the lake*"

Page 67, line 20, before the semicolon, insert "*where the marinas are located*"

Page 67, line 32, delete everything after "(12)"

Page 67, line 33, delete everything before the period and insert "*to petition the board of managers of a watershed district in which the lake conservation district is located for improvements under article 4 for which a bond is not required of the lake conservation district*"

Page 67, line 34, after "3" insert "; MN L 1969, c 272, sec 2"

Page 70, line 11, before the period, insert "*provided that the portion of any one municipality may not be more than 20 percent of the total expense or less than \$200*" and after "4" insert "; MN L 1969, c 272, sec 3"

Page 70, line 30, delete "*one-tenth of a mill*" and insert "*a gross tax capacity rate of .82 percent for taxes payable in 1989 or a net tax capacity rate of 1.02 percent for taxes payable in 1990 and thereafter*"

Page 70, line 35, after "5" insert "; MN L 1969, c 272, sec 4"

Page 70, after line 35, insert:

"Sec. 55. [103B.641] [REGULATIONS OF DISTRICT.]

*Subdivision 1. [AUTHORITY AND EFFECT.] (a) The lake conservation district may adopt rules and regulations to effectuate the purpose of its establishment and the powers granted to the district.*

*(b) The rules and regulations have the effect of an ordinance if declared by the board of directors of the district and stated in the rule or regulation.*

*(c) The rules and regulations of the district may be enforced by the district by injunction in addition to penalties under this section.*

*Subd. 2. [ADOPTION PROCEDURE.] (a) A rule or regulation must be suitably titled.*

*(b) A rule or regulation must be adopted by a majority vote of all of the members of the board of directors. The adopted rule or regulation must be signed by the chair, attested by the secretary of the board, and published once in an official newspaper.*

*(c) Proof of publication must be attached to and filed with the rule or regulation. Each rule and regulation must be recorded in the rule and regulation book by 20 days after its publication.*

*Subd. 3. [PENALTY.] A person who violates a rule or regulation that has the force and effect of an ordinance is guilty of a misdemeanor and subject to a sentence of not more than 90 days plus costs or a fine of not more than \$100 plus costs.*

**Sec. 56. [103B.645] [PROSECUTION OF VIOLATIONS.]**

*Subdivision 1. [COMPLAINT FOR VIOLATION.] A prosecution for a violation of a rule or regulation shall be brought in the name of the lake conservation district upon complaint and warrant as in other criminal cases. If the accused is arrested without a warrant, a written complaint shall be made, to which the accused shall be required to plead, and a warrant shall issue on the complaint. The warrant and all other process in such cases shall be directed for service to a police officer, court officer, marshal, constable, or sheriff of any of the municipalities in the lake conservation district. [MN L 1969, c 272, sec 7]*

*Subd. 2. [COMPLAINT.] It is a sufficient pleading of the rules and regulations of the district to refer to them by section and number or chapter, or any other way that clearly reflects the rules and regulations that are the subject of the pleading. The rules and regulations shall have the effect of general laws within the district and need not be given in evidence upon the trial of an action.*

*Subd. 3. [APPEAL TO DISTRICT COURT.] Appeals may be taken from the district court in the same manner as from judgments in civil actions. [MN L 1969, c 272, sec 7]"*

Page 76, after line 6, insert:

**"Sec. 64. [103B.683] [PROSECUTION OF VIOLATIONS.]**

*Subdivision 1. [COMPLAINT FOR VIOLATION.] A prosecution for a violation of a rule or regulation shall be brought in the name of the lake conservation district upon complaint and warrant as in other criminal cases. If the accused is arrested without a warrant, a written complaint shall be made, to which the accused shall be required to plead, and a warrant shall issue on the complaint. The warrant and all other process in such cases shall be directed for service to a police officer, court officer, marshal, constable, or sheriff of any of the municipalities in the lake conservation district. [MN L 1971, c 355, sec 13]*

*Subd. 2. [COMPLAINT.] It is a sufficient pleading of the rules and regulations of the district to refer to them by section and number or chapter, or any other way that clearly reflects the rules and regulations that are the subject of the pleading. The rules and regulations shall have the effect of general laws within the district and need not be given in evidence upon the trial of an action.*

*Subd. 3. [APPEAL TO DISTRICT COURT.] Appeals may be taken from the district court in the same manner as from judgments in civil actions.*

[MN L 1971, c 355, sec 13]"

Renumber the sections of article 2 in sequence and correct the internal references

Page 450, line 36, delete everything after the first "after"

Page 451, line 1, delete "between" and delete "and 10:30 p.m. of any day."

Page 452, line 6, delete "section 375.87" and insert "article 6, section 90"

Page 452, line 14, after "to" insert "article 6," and delete "375.88" and insert "90"

Page 452, line 16, delete "section 375.87" and insert "article 6, section 90."

Page 452, line 24, strike "sections"

Page 452, line 25, delete "375.87 to 375.90" and insert "article 6, section 90"

Page 456, line 7, delete "375.87" and insert "article 6, section 90"

Page 478, line 12, delete "trial"

Page 487, line 22, delete "LEASED" and insert "RENTED"

Page 497, line 3, after the period, insert "The revisor shall prepare and provide a chart to show the reorganization of law under this act."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. moved to amend S.F. No. 60 as follows:

Page 29, line 14, delete "EXEMPTION FROM LEVY LIMIT" and insert "LEVY"

Page 29, line 20, after "of" insert "per capita"

Page 29, line 21, delete "chapter 275" and insert "section 275.11"

Page 29, line 22, delete ", for taxes payable in 1985 and afterwards"

Page 30, line 32, delete "one mill" and insert "a gross tax capacity rate of .82 percent for taxes payable in 1989 or a net tax capacity rate of 1.02 percent for taxes payable in 1990 and thereafter"

Page 34, line 11, delete "one mill" and insert "a gross tax capacity rate of .82 percent for taxes payable in 1989 or a net tax capacity rate of 1.02 percent for taxes payable in 1990 and thereafter"

Page 49, line 31, before "EXEMPTION" insert "TAX;" and after "FROM" insert "PER CAPITA"

Page 50, line 2, delete "the levy up to .75 mill times"

Page 50, delete lines 3 and 4

Page 50, line 5, delete "275" and insert "a city levy under this section up to a gross tax capacity rate of .62 percent for taxes payable in 1989 or a net tax capacity rate of .77 percent for taxes payable in 1990 and thereafter is exempt from the per capita levy limit under section 275.11"



Page 62, line 29, delete "EXCLUDED FROM OTHER LIMITATIONS" and insert "ADDITIONAL TO OTHER LEVIES" and delete "*The tax*"

Page 62, delete lines 30 to 32 and insert "A"

Page 70, line 11, delete "*assessed valuation*" and insert "*net tax capacity*"

Page 70, line 30, delete "*one-tenth of a mill*" and insert "*a gross tax capacity rate of .82 percent for taxes payable in 1989 or a net tax capacity rate of 1.02 percent for taxes payable in 1990 and thereafter*"

Page 71, line 9, delete "*village*" and insert "*city*"

Page 71, line 10, delete "*village*" and insert "*city*" in both places

Page 76, line 14, delete "*assessed valuation*" and insert "*net tax capacity*"

Page 76, line 35, delete "*one mill*" and insert "*a gross tax capacity rate of .82 percent for taxes payable in 1989 or a net tax capacity rate of 1.02 percent for taxes payable in 1990 and thereafter*"

Page 189, line 17, delete "*two-thirds of one mill on each dollar of*"

Page 189, line 18, delete "*assessed valuation of*" and insert "*a gross tax capacity rate of .55 percent for taxes payable in 1989 or a net tax capacity rate of .68 percent for taxes payable in 1990 and thereafter levied on*"

Page 189, lines 28 and 29, delete "*assessed valuation*" and insert "*net tax capacity*"

Page 190, line 2, delete "*one mill on*"

Page 190, line 3, delete "*each dollar of assessed valuation of*" and insert "*a gross tax capacity rate of .82 percent for taxes payable in 1989 or a net tax capacity rate of 1.02 percent for taxes payable in 1990 and thereafter levied on*"

Page 190, line 10, delete "*one-third of one*"

Page 190, line 11, delete "*mill*" and insert "*a gross tax capacity rate of .28 percent for taxes payable in 1989 or a net tax capacity rate of .34 percent for taxes payable in 1990 and thereafter*"

Page 191, line 14, delete "*one mill on each dollar of assessed*"

Page 191, line 15, delete "*valuation of*" and insert "*a gross tax capacity rate of .82 percent for taxes payable in 1989 or a net tax capacity rate of 1.02 percent for taxes payable in 1990 and thereafter levied on*"

Page 192, lines 7 and 8, delete "*assessed valuation*" and insert "*net tax capacity*"

Page 252, line 8, delete "30" and insert "130"

Page 309, line 25, delete "*This additional tax must be levied in*"

Page 309, delete lines 26 and 27

Page 309, line 28, delete "*limitation.*"

Page 311, line 15, delete "*must*" and insert "*may*"

Page 311, line 16, delete "*any*" and insert "*the per capita levy*" and delete "*as to rate or amount but may not*"

Page 311, delete line 17

Page 311, line 18, delete "*limitation*" and insert "*imposed under section 275.11*"

Page 421, line 14, delete "*special*" and delete "*two-thirds of one mill*" and insert "*a gross tax capacity rate of .55 percent for taxes payable in 1989 or a net tax capacity rate of .68 percent for taxes payable in 1990 and thereafter*"

Page 421, line 15, delete "*per year in addition to all other taxes authorized*"

Page 421, line 16, delete "*by law,*"

Page 487, delete section 25

Page 487, line 6, delete "86B.425" and insert "86B.421"

Renumber the sections of article 9 in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

S.F. No. 916, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 2, line 25, after "*commodities*" insert "*or commodities for sale*"

The motion prevailed. So the amendment was adopted.

S.F. No. 435, which the committee recommends to pass with the following amendments offered by Messrs. Benson and Knaak:

Mr. Benson moved to amend S.F. No. 435 as follows:

Page 1, after line 20, insert:

*"Emergency rules adopted under this section are not effective after December 31, 1989."*

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 435 as follows:

Page 4, delete lines 1 to 5

Page 4, line 6, delete "*Subd. 2. {COURT ORDER.}*"

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

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 and Reports of Committees. The motion prevailed.

### 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. 25.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1989

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 243, 266, 278, 306, 765, 827 and 862.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 28, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 243: A bill for an act relating to the department of revenue; recodifying information and disclosure provisions to increase uniformity of treatment and comply with the data privacy act; amending Minnesota Statutes 1988, sections 60A.17, subdivision 20; 82.27, subdivision 7; 147.091, subdivision 7; 148.10, subdivision 5; 148B.06, subdivision 3; 150A.08, subdivision 9; 171.31; 176.186; 176.231, subdivision 9; 256.978; 270.052; 270.064; 270.66, subdivision 3; 270.72, subdivision 4; 270.73, subdivision 1; 270A.11; 290.081; 290.174; 290.371, subdivision 5; 290.50, subdivision 6; 290.523, subdivision 1; 290.91; 290.92, subdivisions 5a, 17, and 26; 290A.112, subdivision 1; 297A.07; 326.20, subdivision 4; and 469.173, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 270B; repealing Minnesota Statutes 1988, sections 13.70; 290.05, subdivision 7; 290.61; 290A.17; 291.48; and 297A.43.

Referred to the Committee on Judiciary.

H.F. No. 266: A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29;

295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 205, now on General Orders.

H.F. No. 278: A bill for an act relating to highways; changing specific service signs to tourist-oriented directional signs; including certain types of businesses as tourist-oriented businesses; amending Minnesota Statutes 1988, section 160.292, subdivisions 2, 3, 4, and 10; 160.293; 160.294; 160.295; and 160.296.

Referred to the Committee on Transportation.

H.F. No. 306: A bill for an act relating to trusts; providing for their creation, validity, administration, and supervision; providing for the sale of real property; relating to legal estates in real and personal property; relating to estates; amending Minnesota Statutes 1988, sections 500.17, subdivision 2; and 502.73; proposing coding for new law as Minnesota Statutes, chapter 501B; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1988, sections 500.13; 501.01; 501.02; 501.03; 501.04; 501.05; 501.06; 501.07; 501.08; 501.09; 501.10; 501.11; 501.115; 501.12; 501.125; 501.13; 501.14; 501.15; 501.155; 501.16; 501.17; 501.18; 501.19; 501.195; 501.20; 501.21; 501.211; 501.22; 501.23; 501.24; 501.25; 501.26; 501.27; 501.28; 501.29; 501.30; 501.31; 501.32; 501.33; 501.34; 501.35; 501.351; 501.36; 501.37; 501.38; 501.39; 501.40; 501.41; 501.42; 501.43; 501.44; 501.45; 501.46; 501.461; 501.48; 501.49; 501.50; 501.51; 501.52; 501.53; 501.54; 501.55; 501.56; 501.57; 501.58; 501.59; 501.60; 501.61; 501.62; 501.63; 501.64; 501.65; 501.66; 501.67; 501.71; 501.72; 501.73; 501.74; 501.75; 501.76; 501.77; 501.78; 501.79; 501.80; 501.805; 501.81; 501A.01; 501A.02; 501A.03; 501A.04; 501A.05; 501A.06; and 501A.07.

Referred to the Committee on Judiciary.

H.F. No. 765: A bill for an act relating to the Western Lake Superior Sanitary District; authorizing the district to issue refunding obligations without redemption of outstanding obligations prior to maturity; amending Laws 1971, chapter 478, section 9a, subdivision 4, as added; and section 13, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 827: A bill for an act relating to game and fish; authorizing the taking of certain muskrats that are causing damage; providing that license applications need not be notarized; regulating the purchase of raw furs; amending Minnesota Statutes 1988, sections 97A.481; 97B.655, subdivision 1; and 97B.905, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 862: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1988, chapters 226; 230; 233; 234; 235; 236; and 366, as amended.

Referred to the Committee on Judiciary.

**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 and Rural Development, to which was referred

S.F. No. 547: A bill for an act relating to agriculture; appropriating money for farm and small business management programs at technical institutes.

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

Page 1, line 14, delete the second "and"

Page 1, delete line 15 and insert:

*"(3) new staff for farm, small business management, beginning farmer programs, and enterprise classes specific to community needs; and*

*(4) evaluation of computerized farm business analysis system options.*

Sec. 2. [APPROPRIATION.]

*\$23,000 in fiscal year 1990 and \$50,000 in fiscal year 1991 are appropriated from the general fund to the University of Minnesota for the center for farm financial management."*

Amend the title as follows:

Page 1, line 4, before the period, insert "and the University of Minnesota"

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

**MOTIONS AND RESOLUTIONS**

Mr. Freeman moved that the name of Mr. Metzén be added as a co-author to S.F. No. 188. The motion prevailed.

Mr. Metzén moved that the name of Mr. Marty be added as a co-author to S.F. No. 356. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 690. The motion prevailed.

Mr. Luther moved that the name of Mr. Marty be added as a co-author to S.F. No. 801. The motion prevailed.

Mr. Frank moved that the name of Mr. Marty be added as a co-author to S.F. No. 807. The motion prevailed.

Mr. Cohen introduced—

Senate Concurrent Resolution No. 6: A Senate concurrent resolution proclaiming Sunday, June 4, as Ethnic American Day in Minnesota.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 6 be laid on the table. 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, Messrs. Merriam, Taylor, Pehler and Frank introduced—

S.F. No. 1234: A bill for an act relating to employment; providing for demonstration grants for the youth employment and housing for homeless program; appropriating money; amending Minnesota Statutes 1988, section 268.361, subdivision 4, and by adding a subdivision; 268.362; 268.364; 268.365; 268.366; and 268.367.

Referred to the Committee on Economic Development and Housing.

Mr. Dahl introduced—

S.F. No. 1235: A bill for an act relating to agricultural societies; permitting county board members to serve on societies; amending Minnesota Statutes 1988, section 38.04.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Davis, Berg, Merriam and Morse introduced—

S.F. No. 1236: A bill for an act relating to public lands; prohibiting certain trespassing on public land; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 92.

Referred to the Committee on Environment and Natural Resources.

Messrs. Peterson, R.W.; Merriam and Knaak introduced—

S.F. No. 1237: A bill for an act relating to privacy of communications; modifying standards for disclosure of communications by electronic communications services; limiting use of contract personnel; modifying reporting requirements; modifying procedures for the use of pen registers and trap and trace devices; requiring orders for the use of mobile tracking devices; providing for a civil cause of action; removing the sunset on the privacy of communications act; imposing penalties; amending Minnesota Statutes 1988, sections 626A.02, subdivision 3; 626A.04; 626A.06, subdivision 4a; 626A.11, subdivisions 1 and 2; 626A.12, subdivision 1; 626A.17; 626A.35; 626A.36; 626A.37; 626A.38; 626A.39, by adding a subdivision; and 626A.40; proposing coding for new law in Minnesota Statutes, chapter 626A; repealing Minnesota Statutes 1988, sections 626A.12, subdivision 1a; 626A.22; 626A.23; and 626A.24; and Laws 1988, chapter 577, section 62.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 1238: A bill for an act relating to fees; providing for fees charged by county recorder; amending Minnesota Statutes 1988, section 357.18, subdivision 1.

Referred to the Committee on Local and Urban Government.

Mr. Stumpf introduced—

S.F. No. 1239: A bill for an act relating to Roseau county; providing increased bonding authority for hospital districts in the county; amending Laws 1961, chapter 115, section 4, as amended.

Referred to the Committee on Local and Urban Government.

Messrs. Marty and Hughes introduced—

S.F. No. 1240: A bill for an act relating to appropriations; providing money to plan a sports and recreation facility.

Referred to the Committee on Finance.

Mr. Pogemiller introduced—

S.F. No. 1241: A bill for an act relating to education; changing a requirement for teaching in barber school; amending Minnesota Statutes 1988, section 154.065, subdivision 2.

Referred to the Committee on Commerce.

Mr. Pogemiller introduced—

S.F. No. 1242: A bill for an act relating to state government; extending the expiration date on certain advisory councils; amending Minnesota Statutes 1988, section 15.059, subdivision 5; repealing Minnesota Statutes 1988, section 84B.11, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Beckman, Vickerman and Frederickson, D.J. introduced—

S.F. No. 1243: A bill for an act relating to education; modifying the fund balance reduction; amending Minnesota Statutes 1988, section 124A.26, subdivision 1, and by adding a subdivision.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1244: A bill for an act relating to workers' compensation; regulating coverage and compensation benefit levels; imposing penalties; amending Minnesota Statutes 1988, sections 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivision 3; 176.041, subdivision 4; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, and by adding subdivisions; 176.102, subdivision 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; 176.179; 176.221, subdivision 6a; 176.238, by adding a subdivision; and 176.66, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1988, sections 176.011, subdivision 26; 176.101, subdivisions 3a to 3u, and 6; and 176.111, subdivision 8a.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 1245: A bill for an act relating to workers' compensation; regulating reimbursements and costs paid out of the special compensation

fund; amending Minnesota Statutes 1988, sections 176.131, subdivisions 1, 1a, 2, 3, 5, 8, and by adding a subdivision; and 176.132, subdivisions 1, 2, and 3.

Referred to the Committee on Employment.

Messrs. Knaak, Cohen, Mrs. Adkins, Mr. Laidig and Mrs. Pariseau introduced—

S.F. No. 1246: A bill for an act relating to marriage dissolution; regulating child custody; providing for shared care of children; regulating support and other obligations of marriage after dissolution; amending Minnesota Statutes 1988, 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; 518.552, subdivisions 1 and 2; 518.612; 518.619, subdivisions 1, 3, and 4; and 518.63; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1988, section 518.17, subdivisions 2 and 6.

Referred to the Committee on Health and Human Services.

Messrs. Luther and Freeman introduced—

S.F. No. 1247: A bill for an act relating to state government; extending tort claim immunity to the Minnesota zoo; providing for expenditures of money; amending Minnesota Statutes 1988, sections 3.736, subdivision 3; and 85A.02, subdivision 5a.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Novak, Pogemiller and Ms. Berglin introduced—

S.F. No. 1248: A bill for an act relating to traffic regulations; prohibiting the towing of motor vehicles for traffic violations for a period of 12 hours unless moving the vehicle is necessary to relieve a safety problem; amending Minnesota Statutes 1988, section 169.04.

Referred to the Committee on Transportation.

Messrs. Pogemiller and Schmitz introduced—

S.F. No. 1249: A bill for an act relating to retirement; authorizing payment to retired members of the state patrol retirement fund for the cost of medical and hospital insurance; appropriating money; amending Minnesota Statutes 1988, section 352B.02, subdivisions 1a, 1c, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 352B.

Referred to the Committee on Governmental Operations.

Messrs. Pogemiller, Renneke and Schmitz introduced—

S.F. No. 1250: A bill for an act relating to retirement; improving the annuity and disability formulas and authorizing early retirement at reduced annuities for highway patrol officers; amending Minnesota Statutes 1988, sections 352B.08, subdivision 2, and by adding a subdivision; and 352B.10, subdivision 1.



Referred to the Committee on Governmental Operations.

Messrs. Brandl, Luther, Ms. Berglin, Messrs. Benson and Pehler introduced—

S.F. No. 1251: A bill for an act relating to insurance: the Minnesota comprehensive health insurance plan; requiring reasonable cost controls that do not impair the quality or amount of services provided; requiring that the association develop new methods to enlist the participation of the enrollee in the control of health care costs; requiring the writing carrier to be liable for the direct and indirect expenses of administration; making technical changes; amending Minnesota Statutes 1988, sections 62D.181, subdivisions 4 and 8; 62E.02, subdivision 18; 62E.08, by adding a subdivision; 62E.09; 62E.10, subdivisions 1, 2, 3, 7, and 9; 62E.11, subdivisions 3, 4, 9, and 10; 62E.12; 62E.13, subdivisions 2, 3, and 5; and 62E.16; repealing Minnesota Statutes 1988, sections 62E.02, subdivisions 21, 22, and 23; 62E.035; 62E.08, subdivisions 1 and 2; 62E.11, subdivisions 5, 6, and 7; and 62E.13, subdivision 7.

Referred to the Committee on Commerce.

Mr. Johnson, D.J. introduced—

S.F. No. 1252: A bill for an act relating to local government: the towns of Crystal Bay, Beaver Bay, and Stony River, the cities of Beaver Bay and Silver Bay, and Unorganized Territory No. 1; permitting the establishment of a medical clinic district.

Referred to the Committee on Local and Urban Government.

Mrs. Lantry, Messrs. Langseth, Purfeerst, Pogemiller and Mrs. McQuaid introduced—

S.F. No. 1253: A bill for an act relating to metropolitan government; regulating the borrowing authority of the regional transit board; amending Minnesota Statutes 1988, section 473.39, subdivision 1a, and by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Pehler introduced—

S.F. No. 1254: A bill for an act relating to appropriations; appropriating money for real estate chair at institutions of higher learning.

Referred to the Committee on Finance.

Mr. Kroening introduced—

S.F. No. 1255: A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; creating fire protection systems account; providing for fees and a surcharge; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299K.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Larson introduced—

S.F. No. 1256: A bill for an act relating to education; extending the authority of Pine Point experimental school; amending Minnesota Statutes 1988, sections 128B.09 and 128B.10.

Referred to the Committee on Education.

Messrs. Merriam, Vickerman, Ms. Berglin, Messrs. McGowan and Schmitz introduced—

S.F. No. 1257: A bill for an act relating to juvenile court; providing that foster parents may participate in juvenile court proceedings under certain circumstances; amending Minnesota Statutes 1988, section 260.155, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Beckman introduced—

S.F. No. 1258: A bill for an act relating to Martin county; permitting the county board to assign certain duties to the county recorder.

Referred to the Committee on Local and Urban Government.

Ms. Berglin introduced—

S.F. No. 1259: A bill for an act relating to taxation; imposing restrictions on leasehold cooperatives that receive homestead treatment; requiring review by county attorney; amending Minnesota Statutes 1988, section 273.124, subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Freeman, Pogemiller and Frederickson, D.R. introduced—

S.F. No. 1260: A bill for an act relating to public employment; regulating fair share fees, unfair labor practices, arbitration procedures and grievance procedures; amending Minnesota Statutes 1988, sections 179A.03, subdivision 7; 179A.06, subdivision 3; 179A.13, subdivision 1; 179A.14, subdivision 1; 179A.16, subdivisions 1, 2, and 3; 179A.20, subdivision 4; repealing Laws 1984, chapter 654, article 2, section 116.

Referred to the Committee on Governmental Operations.

Mr. Waldorf introduced—

S.F. No. 1261: A bill for an act relating to education; clarifying reporting responsibilities to the HECB; amending Minnesota Statutes 1988, section 136A.05.

Referred to the Committee on Education.

Mr. Waldorf introduced—

S.F. No. 1262: A bill for an act relating to education; increasing the revenue bonding authorization of the higher education facilities authority; amending Minnesota Statutes 1988, section 136A.29, subdivision 9.

Referred to the Committee on Finance.

Mr. Waldorf introduced—

S.F. No. 1263: A bill for an act relating to education; requiring a uniform procedure for assessing post-secondary students to determine remedial needs; appropriating money.

Referred to the Committee on Education.

Mr. Diessner introduced—

S.F. No. 1264: A bill for an act relating to corrections; providing for development of a plan for a centralized corrections data system; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Larson introduced—

S.F. No. 1265: A bill for an act relating to education; appropriating money for a joint American Indian teacher education program by White Earth Reservation tribal council and Moorhead State University.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 1266: A bill for an act relating to juvenile justice; eliminating juvenile court jurisdiction over children alleged to be aggravated DWI offenders; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; amending Minnesota Statutes 1988, sections 171.04; 260.111, by adding a subdivision; 260.115, subdivision 1; 260.121, subdivision 3; 260.193, subdivision 1, and by adding a subdivision; and 260.195, subdivision 3, and by adding subdivisions.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S.F. No. 1267: A bill for an act relating to secured transactions; requiring the secured party to provide certain notices before collateral is disposed of after default; amending Minnesota Statutes 1988, section 336.9-504.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.J.; Vickerman; Davis; Merriam and Morse introduced—

S.F. No. 1268: A bill for an act relating to motor fuels; requiring retail sellers of gasoline or diesel fuel to post listing of ingredients; amending Minnesota Statutes 1988, sections 239.79, subdivision 2, and by adding a subdivision; and 325E.09, subdivision 4.

Referred to the Committee on Commerce.

Mr. Diessner introduced—

S.F. No. 1269: A bill for an act relating to gambling; video games of chance; prohibiting cash awards; requiring notice to the public and to employees of the consequences of participating in cash awards; prescribing a penalty; amending Minnesota Statutes 1988, sections 349.51, subdivision 2; 349.53; and 349.56; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Frank introduced—

S.F. No. 1270: A bill for an act relating to unemployment compensation; making various technical corrections; amending Minnesota Statutes 1988, sections 268.04, subdivisions 12 and 25; 268.06, subdivisions 1, 8a, and 28; 268.07, subdivisions 2 and 3; 268.09, subdivision 1; 268.10, subdivisions 1 and 2; 268.12, subdivision 12; 268.16, subdivision 4; 268.162, subdivision 1; 268.163, subdivision 1; and 268.165, subdivisions 1 and 2.

Referred to the Committee on Employment.

Messrs. Stumpf, Marty and Merriam introduced—

S.F. No. 1271: A resolution memorializing the President and Congress to address problems in the solid waste stream caused by the amount and types of materials used to package consumer products.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 1272: A bill for an act relating to retirement; providing for the funding of certain retirement fund deficiencies; amending Minnesota Statutes 1988, 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. Morse, Purfeerst, Vickerman, Renneke and Frederickson, D.R. introduced—

S.F. No. 1273: A bill for an act relating to agriculture; adopting a state packers and stockyards act; imposing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 31B.

Referred to the Committee on Agriculture and Rural Development.

Mr. Waldorf introduced—

S.F. No. 1274: A bill for an act relating to retirement; St. Paul fire department and police relief associations; providing for a minimum benefit amount; amending Minnesota Statutes 1988, sections 353B.07, subdivision 3; 353B.08, subdivisions 6 and 7; 353B.11, subdivisions 3 and 4; and 353B.12, subdivision 1; Laws 1955, chapters 151, section 1, subdivision 4; and 375, sections 19 and 21, as amended.

Referred to the Committee on Governmental Operations.

Ms. Olson introduced—

S.F. No. 1275: A bill for an act relating to education; eliminating authorization for a school for the arts; making conforming changes; appropriating money; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1a; and 129C.10.

Referred to the Committee on Education.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 30, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-SIXTH DAY

St. Paul, Minnesota, Thursday, March 30, 1989

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

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.	Renneke
Anderson	Decker	Kroening	Moe, R.D.	Samuelson
Beckman	DeCramer	Laidig	Morse	Schmitz
Belanger	Dicklich	Langseth	Novak	Solon
Benson	Dressner	Lantry	Olson	Spear
Berg	Frank	Larson	Pariseau	Storm
Berglin	Frederick	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Marty	Peterson, R.W.	Vickerman
Brandl	Freeman	McGowan	Piper	Waldorf
Brataas	Gustafson	McQuaid	Pogemiller	
Chmielewski	Hughes	Mehrkens	Purleerst	
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. Knutson was excused from the Session of today. Ms. Berglin was excused from the Session of today from 2:00 to 2:30 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 29, 1989

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. 121 and 149.

Sincerely,  
Rudy Perpich, Governor

**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. 237: A bill for an act relating to pollution; regulating the disposal of infectious and pathological wastes; providing for penalties for violation; appropriating money; amending Minnesota Statutes, section 609.671, 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:

Delete everything after the enacting clause and insert:

“Section 1. [116.75] [CITATION.]

*Sections 2 to 8 may be cited as the “infectious and pathological waste control act.”*

Sec. 2. [116.76] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 8.*

*Subd. 2. [AGENCY.] “Agency” means the pollution control agency.*

*Subd. 3. [BLOOD.] “Blood” means waste human blood and blood products in containers, or solid waste saturated and dripping human blood or blood products. Human blood products include serum, plasma, and other blood components.*

*Subd. 4. [COMMERCIAL TRANSPORTER.] “Commercial transporter” means a person who transports infectious or pathological waste for compensation.*

*Subd. 5. [COMMISSIONER.] “Commissioner” means the commissioner of the pollution control agency.*

*Subd. 6. [DECONTAMINATION.] “Decontamination” means rendering infectious waste safe for routine handling as a solid waste.*

*Subd. 7. [DEPARTMENT.] “Department” means the department of health.*

*Subd. 8. [FACILITY.] “Facility” means a site where infectious waste is generated, stored, decontaminated, incinerated, or disposed.*

*Subd. 9. [GENERATOR.] “Generator” means a person whose activities produce infectious waste.*

*Subd. 10. [HOUSEHOLD.] “Household” means a single detached dwelling unit or a single unit of a multiple dwelling.*

*Subd. 11. [INFECTIOUS AGENT.] “Infectious agent” means an organism that is capable of producing infection or infectious disease in humans.*

*Subd. 12. [INFECTIOUS WASTE.] “Infectious waste” means laboratory waste, blood, regulated body fluids, sharps, and research animal waste that have not been decontaminated, but does not include waste generated from a household or from a farm operation or agricultural business.*

*Subd. 13. [LABORATORY WASTE.] "Laboratory waste" means waste cultures and stocks of infectious agents; discarded contaminated items used to inoculate, transfer, or otherwise manipulate cultures or stocks of infectious agents; wastes from the production of biological agents; and discarded live or attenuated vaccines.*

*Subd. 14. [PATHOLOGICAL WASTE.] "Pathological waste" means waste human tissues and body parts removed accidentally or during surgery or autopsy. Pathological waste does not include teeth.*

*Subd. 15. [PERSON.] "Person" means an individual, partnership, association, public or private corporation, or other legal entity, the United States government, an interstate body, the state, and an agency, department, or political subdivision of the state.*

*Subd. 16. [REGULATED HUMAN BODY FLUIDS.] "Regulated human body fluids" means fluid wastes that are in containers, or solid waste saturated and dripping fluid wastes. Fluid waste means waste cerebrospinal fluid, synovial fluid, pleural fluid, peritoneal fluid, pericardial fluid, and amniotic fluid.*

*Subd. 17. [RESEARCH ANIMAL WASTE.] "Research animal waste" means animal waste from research that was exposed to infectious agents during research, production of biologicals, or testing of pharmaceuticals, including carcasses, body parts, blood, and bedding of animals.*

*Subd. 18. [SHARPS.] "Sharps" means:*

*(1) discarded items that can induce subdermal inoculation of infectious agents, including needles, scalpel blades, pipettes, and other items derived from human or animal patient care, blood banks, laboratories, mortuaries, research facilities, and industrial operations; and*

*(2) discarded glass or rigid plastic vials containing infectious agents.*

**Sec. 3. [116.77] [INFECTIOUS WASTE MANAGEMENT.]**

*Subdivision 1. [HANDLING.] (a) A person must:*

*(1) package, contain, and transport infectious and pathological waste in a manner that prevents release of the infectious or pathological waste materials; and*

*(2) clearly label containers used to collect, transport, or store infectious or pathological waste with a biohazard symbol or with the words "infectious waste" or "pathological waste" written in letters at least one inch in height.*

*(b) A person may place other waste materials, except hazardous or radiological waste, inside a properly labeled infectious or pathological waste container but must manage the entire contents as infectious or pathological waste.*

*Subd. 2. [REUSABLE CONTAINERS.] Containers which have been in direct contact with infectious waste must be disinfected prior to reuse.*

*Subd. 3. [SHARPS.] Sharps:*

*(1) must be placed in puncture-resistant containers;*

*(2) may not be compacted or mixed with other waste material whether or not the sharps are decontaminated; and*



(3) may not be disposed of at refuse-derived fuel facilities or at other facilities where waste is hand sorted.

*Subd. 4. [STORAGE.] Infectious and pathological waste must be stored in a specially designated area that is designed to prevent the entry of vermin and that prevents access by unauthorized persons.*

*Subd. 5. [COMPACTION AND MIXTURE WITH OTHER WASTES.] Infectious and pathological waste may not be compacted or mixed with other waste materials prior to incineration or disposal.*

*Subd. 6. [DECONTAMINATED INFECTIOUS WASTE.] (a) A person may not mix decontaminated waste with other solid waste that is not infectious waste unless the transporter is provided with notice that the waste includes decontaminated infectious waste.*

*(b) A person transporting decontaminated infectious waste must provide notice that the waste includes decontaminated infectious waste to the storage, incineration, or disposal facility used by the transporter.*

*Subd. 7. [DISPOSAL.] Except for disposal procedures specifically prescribed, this section and section 6 do not limit disposal methods for infectious and pathological waste.*

#### Sec. 4. [116.78] [MANAGEMENT PLANS.]

*Subdivision 1. [PREPARATION OF MANAGEMENT PLANS.] (a) A person in charge of a facility that generates, stores, decontaminates, incinerates, or disposes of infectious or pathological waste must prepare a management plan for the infectious or pathological waste handled by the facility.*

*(b) The management plan must describe, to the extent the information is applicable to the facility:*

*(1) the type of infectious waste and pathological waste that the person generates or handles;*

*(2) the segregation, packaging, labeling, collection, storage, and transportation procedures for the infectious waste or pathological waste that will be followed;*

*(3) the decontamination or disposal methods for the infectious or pathological waste that will be used;*

*(4) the transporters and disposal facilities that will be used for the pathological and infectious waste;*

*(5) the steps that will be taken to minimize the exposure of employees to infectious agents throughout the process of disposing of infectious or pathological wastes; and*

*(6) the name of the individual responsible for the management of the infectious waste or pathological waste.*

*(c) The management plan must be kept at the facility.*

*(d) Management plans must be accompanied by a statement of the quantity of infectious and pathological waste generated, decontaminated, stored, incinerated, or disposed of at the facility during the previous two-year period. Quantities may be reported by weight, volume, or number and capacity of containers.*

*(e) A management plan must be updated and resubmitted at least once every two years.*

*Subd. 2. [COMPLIANCE WITH MANAGEMENT PLANS.] A person who prepares a management plan must comply with the management plan.*

*Subd. 3. [GENERATORS' PLANS.] (a) Management plans prepared by facilities that generate infectious or pathological waste must be submitted to the commissioner of health with a fee of \$150 for facilities with 25 or more employees, or a fee of \$25 for facilities with less than 25 employees. The fee must be credited to an infectious waste account.*

*(b) A person who begins the generation of infectious or pathological waste after January 1, 1990, must submit to the commissioner of health a copy of the person's management plan prior to initiating the handling of the infectious or pathological waste.*

*(c) If a generator also incinerates or disposes of infectious or pathological waste, a separate management plan must be prepared for the incineration or disposal activities.*

*(d) The commissioner of health must establish a procedure for randomly reviewing the plans.*

*(e) The commissioner of health may require a management plan of a generator to be modified if the commissioner of health determines that the plan is not consistent with state or federal law or that the plan is not adequate to minimize exposure of persons to the infectious or pathological waste.*

*Subd. 4. [PLANS FOR STORAGE, DECONTAMINATION, INCINERATION, AND DISPOSAL FACILITIES.] (a) A person who stores or decontaminates infectious or pathological waste, other than at the facility where the waste was generated, or a person who incinerates or disposes of infectious or pathological waste, must submit a copy of the management plan to the commissioner of the pollution control agency with a fee of \$150 for facilities with 25 or more employees or \$25 for facilities with less than 25 employees. The fee must be credited to an infectious waste account.*

*(b) The commissioner shall review the plans and may require a plan to be modified within 90 days after the plan is submitted if the commissioner determines that the plan is not consistent with state or federal law or that the plan is not adequate to minimize exposure of persons to the waste.*

#### **Sec. 5. [116.79] [TRANSPORTATION OF INFECTIOUS WASTE.]**

*Subdivision 1. [TRANSFER OF INFECTIOUS OR PATHOLOGICAL WASTE.] (a) A generator may not transfer infectious or pathological waste to a commercial transporter unless the transporter is registered with the commissioner.*

*(b) A transporter may not deliver infectious or pathological waste to a facility prohibited to accept the waste.*

*Subd. 2. [PREPARATION OF MANAGEMENT PLANS.] (a) A commercial transporter in charge of a business that transports infectious or pathological waste must prepare a management plan for the infectious or pathological waste handled by the commercial transporter.*

*(b) The management plan must describe, to the extent the information is applicable to the commercial transporter:*

(1) the type of infectious waste and pathological waste that the commercial transporter handles;

(2) the transportation procedures for the infectious waste or pathological waste that will be followed;

(3) the disposal facilities that will be used for the infectious and pathological waste;

(4) the steps that will be taken to minimize the exposure of employees to infectious agents throughout the process of transporting and disposing of infectious or pathological wastes; and

(5) the name of the individual responsible for the transportation and management of the infectious waste or pathological waste.

(c) The management plan must be kept at the commercial transporter's principal place of business.

(d) Management plans must be accompanied by a statement of the quantity of infectious and pathological waste transported during the previous two-year period. Quantities may be reported by weight, volume, or number and capacity of containers.

(e) A management plan must be updated and resubmitted at least once every two years.

(f) The commissioner shall review the plans and may require a plan to be modified within 90 days after the plan is submitted if the commissioner determines that the plan is not consistent with state or federal law or that the plan is not adequate to minimize exposure of persons to the waste.

**Subd. 3. [REGISTRATION REQUIRED.]** (a) A commercial transporter must register with the commissioner.

(b) To register, a commercial transporter must submit a copy of the management plan to the commissioner of the pollution control agency with a fee of \$150. The fee must be credited to an infectious waste account.

(c) The registration is valid for two years.

(d) The commissioner shall issue a registration card with a unique registration number to a person who has submitted a transporter's management plan unless the commissioner finds that registrant has outstanding unresolved violations of this section or a history of serious violations of chapter 115, 115A, 115B, or 116. The registration card must include the date the card expires.

**Subd. 4. [WASTE FROM OTHER STATES.]** A person may not transport infectious or pathological waste or decontaminated infectious waste into the state for decontamination, storage, incineration, or disposal without complying with sections 2 to 7.

**Sec. 6. [116.80] [RULES.]**

**Subdivision 1. [AGENCY RULES.]** The agency, in consultation with the commissioner of health, may adopt rules to implement sections 2 to 7. The agency has primary responsibility for rules relating to transportation of infectious or pathological waste and facilities storing, transporting, decontaminating, incinerating, and disposing of infectious or pathological waste.

**Subd. 2. [HEALTH RULES.]** The commissioner of health after consulting with the agency may adopt rules to implement sections 2 to 7. The

*commissioner of health has primary responsibility for rules relating to facilities generating infectious waste.*

**Sec. 7. [116.81] [AUTHORITY OF LOCAL GOVERNMENT.]**

*Subdivision 1. [PREEMPTION OF REGULATION.] A county, municipality, or other political subdivision of the state may not adopt a definition of infectious or pathological waste that differs from the definitions in section 2, or management requirements for infectious or pathological waste that differ from the requirements of sections 3 and 4.*

*Subd. 2. [LOCAL SOLID WASTE AUTHORITY.] (a) Sections 2 to 6 do not affect local implementation of collection, storage, or disposal of solid waste that does not contain infectious or pathological waste.*

*(b) Sections 2 to 6 do not affect county authority under other law to regulate and manage solid waste that does not contain infectious or pathological waste.*

*(c) Counties may not require a refuse-derived fuel facility to accept infectious waste, pathological waste, or decontaminated infectious waste.*

*Subd. 3. [LOCAL ENFORCEMENT.] Sections 2 to 6 may be enforced by a county by delegation of enforcement authority granted to the commissioner of health and the agency in section 8. Separate enforcement actions may not be brought by a state agency and a county for the same violations. The state or county may not bring an action that is being enforced by the federal Office of Safety and Health Administration.*

**Sec. 8. [116.82] [ENFORCEMENT.]**

*Subdivision 1. [STATE RESPONSIBILITIES.] The agency or the commissioner of health may enforce sections 2 to 6. The commissioner of health is primarily responsible for enforcement involving generators. The agency is primarily responsible for enforcement involving other persons subject to sections 2 to 6.*

*Subd. 2. [ENFORCEMENT AUTHORITY.] The commissioner of health has the authority of the agency to enforce sections 2 to 6 under section 115.071.*

*Subd. 3. [ACCESS TO INFORMATION AND PROPERTY.] Subject to section 144.651, the commissioner of the pollution control agency or the commissioner of health may on presentation of credentials, during regular business hours:*

*(1) examine and copy any books, records, memoranda, or data that is related to compliance with sections 2 to 6; and*

*(2) enter public or private property regulated by sections 2 to 6 for the purpose of taking an action authorized by this section including obtaining information and conducting investigations.*

**Sec. 9. [STUDY.]**

*The agency, in consultation with the commissioner of health, shall study the feasibility of establishing a collection system for sharps generated by households and from farm operations and agricultural businesses.*

**Sec. 10.** Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

*Subd. 10. [INFECTIOUS WASTE.] A person who knowingly, or with*

*reason to know, disposes of infectious waste as defined in section 2 or arranges for the disposal of infectious waste at a location or in a manner that is prohibited by state law is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year, or to pay a fine of not more than \$10,000, or both. A person convicted for a second or subsequent offense may be sentenced to imprisonment for not more than two years, or to pay a fine of not more than \$25,000, or both.*

Sec. 11. [APPROPRIATIONS.]

*Subdivision 1. [POLLUTION CONTROL AGENCY.] \$ . . . . . is appropriated from the infectious waste account to the commissioner of the pollution control agency for the biennium ending June 30, 1991, to prepare educational material for distribution to infectious and pathological waste generators and transporters; treatment, storage, and disposal facility operators; households that generate infectious waste; and to the general public.*

*Subd. 2. [POLLUTION CONTROL AGENCY.] \$ . . . . . is appropriated from the infectious waste account to the commissioner of the pollution control agency for the biennium ending June 30, 1991, for carrying out the requirements of sections 1 to 9. The agency's complement is increased by five persons.*

*Subd. 3. [DEPARTMENT OF HEALTH.] \$ . . . . . is appropriated from the infectious waste account to the commissioner of health for the biennium ending June 30, 1991, for carrying out the requirements of sections 1 to 9. The department of health complement is increased by . . . . . persons.*

Sec. 12. [EFFECTIVE DATE.]

*Sections 2, 6, and 7 are effective the day after final enactment. Sections 1, 3, 4, 5, 8, and 10 are effective January 1, 1990."*

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

S.F. No. 710: A bill for an act relating to state lands: authorizing the commissioner of transportation to convey certain surplus property to Stevens county for other than public purposes; authorizing the county to sell the property for other than public purposes through a negotiated sale.

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

Delete everything after the enacting clause and insert:

"Section 1. [LAND TRANSFER.]

*Notwithstanding Minnesota Statutes, sections 161.44, subdivision 1, and 373.01, subdivision 1, the commissioner of transportation may convey and quitclaim to Stevens county for other than public purposes, and Stevens county may sell for other than public purposes, by public sale for a price not less than its appraised value, the following described land, including improvements on the land:*

*That part of tracts A and B described below:*

**Tract A:**

*That part of Lot 18, Garden Lots Addition to Morris, according to the plat thereof on file and of record in the office of the county recorder in and for Stevens county, Minnesota, described as follows: Beginning at the most southerly corner of said lot; thence northeasterly along the easterly boundary of said lot 294.8 feet to a monument; thence northwesterly at right angles to last course for 170 feet; thence southwesterly at right angles to last course for 50 feet; thence northwesterly at right angles to last course for 200 feet to a point on the east boundary of South Street, 325.2 feet south of the most northerly corner of said Lot 18; thence southwesterly along the easterly boundary of said South Street for 135.8 feet; thence South 5 degrees 00 minutes 00 seconds East along the northeasterly boundary of Trunk Highway No. 9 for 216 feet; thence southeasterly along the easterly boundary of said Trunk Highway No. 9 to the point of beginning;*

**Tract B:**

*Lots 19 and 20, Garden Lots Addition to Morris, according to the plat thereof on file and of record in the office of the county recorder in and for Stevens county, Minnesota; excepting therefrom the northeasterly 275.2 feet thereof;*

*which lies northeasterly of a line run parallel with and distant 75 feet northeasterly of Line 1 described below:*

**Line 1:**

*Beginning at a point on the east and west quarter line of Section 2, Township 124 North, Range 42 West, distant 1345 feet westerly of the center section thereof; thence run northwesterly at an angle of 55 degrees 26 minutes 00 seconds from said east and west quarter line (measured from west to north) for 872.2 feet; thence deflect to the right on a 02 degree 30 minute 00 second curve (delta angle 10 degrees 31 minutes 00 seconds) for 420.7 feet; thence on tangent to said curve for 100 feet and there terminating;*

*containing 6.13 acres, more or less, including all improvements presently on the property.*

*The land and improvements to be sold are appropriate for private commercial development and are not needed by the county for any other purpose.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 6, delete "negotiated" and insert "public"

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. 749: A bill for an act relating to waters; directing an inventory of, education on, and assistance in control of certain aquatic weeds; 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. [103G.631] [EURASIAN WATERMILFOIL EDUCATION AND MANAGEMENT.]

*Subdivision 1. [DEFINITION.] For the purpose of this section, “Eurasian watermilfoil” means myriophyllum spicatum.*

*Subd. 2. [INVENTORY.] The commissioner of natural resources shall inventory and monitor the growth of Eurasian watermilfoil on lakes in the state. The commissioner may use volunteers to aid in the inventory effort.*

*Subd. 3. [EDUCATION.] The commissioner shall publish and distribute informational materials to lakeshore owners and boaters on the control problems of Eurasian watermilfoil.*

*Subd. 4. [MANAGEMENT.] The commissioner shall coordinate a control program to manage the growth of Eurasian watermilfoil with appropriate local units of government, special purpose districts, and lakeshore associations. Technical assistance may be provided by the commissioner upon request.*

*Subd. 5. [RESEARCH.] The commissioner shall initiate cooperative research with the Freshwater Foundation and the University of Minnesota freshwater biological institute to study the use of nonchemical methods, including biological control agents, for control of Eurasian watermilfoil.*

Sec. 2. [APPROPRIATION AND COMPLEMENT.]

*§ . . . . . is appropriated from the general fund to the commissioner of natural resources for the following purposes to be available until June 30, 1991. The complement of the department of natural resources is increased by one position.*

- (a) For inventory, education, and coordination of control programs* \$ . . . . .
- (b) For control programs approved by the commissioner of natural resources and matched at least one-to-one with local funds* \$ . . . . .
- (c) For public share of at least a one-to-one public-private match for research conducted under section 1, subdivision 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. 740: A bill for an act relating to state lands; directing conveyance of a certain tract in Beltrami county.

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. 1005: A bill for an act relating to real property; appropriating money for grant-in-aid assistance to the Red Wing port authority to acquire lands for historic preservation and educational purposes.

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

Delete everything after the enacting clause and insert:

“Section 1. [HISTORIC SITE ACQUISITION.]

*Subdivision 1. [APPROPRIATION.] \$140,000 is appropriated from the state building fund to the Minnesota historical society to make a grant to the Goodhue county board to acquire archaeological lands and resources identified in subdivision 2 for historic preservation and educational purposes.*

*Subd. 2. [HISTORIC PROPERTY.] The property is adjacent to the Cannon Valley Trail and affords unique educational opportunities. The property is described as: Lot 6, Block 2, Red Wing Energy Park, city of Red Wing.*

*Subd. 3. [BOND AUTHORIZATION.] To provide the money appropriated in this act from the state building fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$140,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment.”*

Delete the title and insert:

“A bill for an act relating to capital improvements; authorizing the sale of state bonds to acquire land for historic preservation in Goodhue county; appropriating money.”

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1039: A bill for an act relating to charitable gambling; permitting organizations to treat legal expenses as an allowable expense; amending Minnesota Statutes 1988, section 349.15.

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

Page 2, line 3, after “gambling” insert “, except for legal fees or damages



*incurred in defending the organization against the board, attorney general, United States attorney, commissioner of revenue, or a county or city attorney"*

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

Mr. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

S.F. No. 92: A bill for an act relating to agriculture; appropriating funds for the agricultural interpretive center.

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 and Rural Development, to which was referred

S.F. No. 862: A bill for an act relating to agriculture; funding pseudorabies research and pseudorabies control; appropriating money.

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

Page 1, line 7, delete "*University of Minnesota*" and insert "*commissioner of agriculture*"

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 and Rural Development, to which was referred

S.F. No. 969: A bill for an act relating to forestry; directing a study and report on urban reforestation; appropriating money.

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

Page 1, line 5, before "URBAN" insert "COMMUNITY AND"

Page 1, lines 9 and 17, after "*our*" insert "*community and*"

Page 1, lines 10 and 18, delete "*forest*" and insert "*forests*"

Page 1, line 12, after "*our*" insert "*community and*" and delete "*forest*" and insert "*forests*"

Page 2, line 4, after "*in*" insert "*community and*"

Page 2, line 11, delete "*council*" and insert "*committee*" and delete "*meeting*" and insert "*the committee*"

Amend the title as follows:

Page 1, line 2, after "on" insert "community and"

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 and Rural Development, to which was referred

S.F. No. 239: A bill for an act relating to agriculture; authorizing a grant for the further study of the culture of shiitake mushrooms in Minnesota; appropriating money.

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

Page 1, line 10, after "culture" insert "and marketing"

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. 1002: A bill for an act relating to licensure of ambulance services; establishing new standards; amending Minnesota Statutes 1988, sections 144.801, subdivisions 4 and 7; 144.802, subdivisions 3, 3a, 4, and by adding a subdivision; 144.804; 144.806; 144.807, subdivision 1; 144.808; 144.809; and 144.8091; repealing Minnesota Statutes 1988, sections 144.805; 144.807, subdivision 3; and 144.8092.

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

Page 1, line 21, delete "may" and insert "is likely to"

Page 6, line 8, after the period, insert "*The commissioner may grant a variance to allow a licensed ambulance service to use attendants certified by the American Red Cross in advanced first aid and emergency care in order to ensure 24-hour emergency ambulance coverage. The variance must expire no later than August 1, 1990.*"

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. 266 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.
	266		205		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 266 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 266 and insert the language after the enacting clause of S.F. No. 205, the second engrossment; further, delete the title of H.F. No. 266 and insert the title of S.F. No. 205, the second engrossment.

And when so amended H.F. No. 266 will be identical to S.F. No. 205, and further recommends that H.F. No. 266 be given its second reading and substituted for S.F. No. 205, 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. 710, 740, 1039 and 1002 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. No. 266 was read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Vickerman moved that the name of Mr. Metzen be added as a co-author to S.F. No. 46. The motion prevailed.

Mr. Dicklich moved that the names of Messrs. Johnson, D.J.; Gustafson and Purfeerst be added as co-authors to S.F. No. 1026. The motion prevailed.

Mr. Novak moved that the names of Messrs. Merriam and Metzen be added as co-authors to S.F. No. 1231. The motion prevailed.

Mr. Marty moved that the names of Messrs. Merriam and Novak be added as co-authors to S.F. No. 1240. The motion prevailed.

Mr. Beckman moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 1243. The motion prevailed.

Mr. Benson introduced—

Senate Resolution No. 83: A Senate resolution congratulating the Rushford High School Boys Basketball Team for winning the 1989 State High School Class A Boys Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Pehler introduced—

Senate Resolution No. 84: A Senate resolution commending Joe Schirmers, of St. Cloud, Minnesota, for his dedicated community service work.

Referred to the Committee on Rules and Administration.

### **CALENDAR**

S.F. No. 218: A bill for an act relating to health; amending the bill of rights for patients and residents of health facilities; requiring health facilities to notify family members of the admission of a patient or resident under certain circumstances; amending Minnesota Statutes 1988, section 144.651, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### RECONSIDERATION

Mr. Spear moved that the vote whereby S.F. No. 218 was passed by the Senate on March 30, 1989, be now reconsidered. The motion prevailed.

S.F. No. 218 was then progressed.

H.F. No. 210: A bill for an act relating to counties; permitting counties to rent county-owned residences by less formal procedure; amending Minnesota Statutes 1988, section 373.01, 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 163: A bill for an act relating to traffic regulations; regulating U-turns; providing for color and equipment requirements on school buses carrying ten or more persons; establishing conditions under which school bus drivers must activate flashing amber lights; providing for bumper requirements on private passenger vehicles; amending Minnesota Statutes 1988, sections 169.19, subdivision 2; 169.44, subdivisions 1a and 2; and 169.73.

Was read the third time 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.	Moe, D.M.	Reichgott
Anderson	Decker	Knaak	Moe, R. D.	Renneke
Beckman	DeCramer	Kroening	Morse	Samuelson
Belanger	Dicklich	Laidig	Novak	Schmitz
Benson	Diessner	Langseth	Olson	Solon
Berg	Frank	Lantry	Pariseau	Spear
Bernhagen	Frederick	Larson	Pehler	Storm
Bertram	Frederickson, D.J.	Luther	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Marty	Peterson, R.W.	Taylor
Brataas	Freeman	McGowan	Piper	Vickerman
Chmielewski	Gustafson	McQuaid	Pogemiller	Waldorf
Cohen	Hughes	Mehrkens	Purfeerst	
Dahl	Johnson, D.E.	Metzen	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 200: A bill for an act relating to insurance; regulating continuing insurance education; amending Minnesota Statutes 1988, section 60A.1701, subdivisions 1, 5, 7, 8, and 9; repealing Minnesota Rules, part 2725.0240.

Was read the third time 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	Knaak	Metzen	Reichgott
Beckman	DeCramer	Kroening	Moe, R.D.	Renneke
Belanger	Dicklich	Laidig	Morse	Samuelson
Benson	Diessner	Langseth	Novak	Schmitz
Berg	Frank	Lantry	Olson	Solon
Bernhagen	Frederick	Larson	Pariseau	Spear
Bertram	Frederickson, D.J.	Lessard	Pehler	Storm
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Stumpf
Brataas	Freeman	Marty	Peterson, R.W.	Taylor
Chmielewski	Gustafson	McGowan	Piper	Vickerman
Cohen	Hughes	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 618: A bill for an act relating to education; exempting employment by a school district from certain requirements relating to employment of rehabilitated criminal offenders; amending Minnesota Statutes 1988, section 364.09.

Was read the third time 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 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Renneke, Schmitz and Spear voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 560: A bill for an act relating to criminal procedure; providing for the Ramsey county attorney to prosecute certain gross misdemeanors; amending Minnesota Statutes 1988, section 388.051, 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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 702: A bill for an act relating to crime; expanding the crime of failure to appear for a criminal court appearance; specifying the attorney with jurisdiction to prosecute the crime; prescribing penalties; amending Minnesota Statutes 1988, section 609.49.

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 62 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Chmielewski, Cohen and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 322: A bill for an act relating to consumer protection; regulating the sale of used motor vehicles; modifying certain definitions; amending Minnesota Statutes 1988, section 325F.662, subdivisions 1 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 323: A bill for an act relating to commerce; regulating motor vehicle sales and distribution; determining reasonable compensation for warranty services performed by dealers; amending Minnesota Statutes 1988, section 80E.04, 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.	Merriam	Purfeerst
Anderson	Decker	Knaak	Metzen	Ramstad
Beckman	DeCramer	Kroening	Moe, D.M.	Reichgott
Belanger	Dicklich	Laidig	Moe, R. D.	Renneke
Benson	Diessner	Langseth	Morse	Samuelson
Berg	Frank	Lantry	Novak	Schmitz
Bernhagen	Frederick	Larson	Olson	Solon
Bertram	Frederickson, D.J.	Lessard	Pariseau	Spear
Brandl	Frederickson, D.R.	Luther	Pehler	Storm
Brataas	Freeman	Marty	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Taylor
Cohen	Hughes	McQuaid	Piper	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 114: A bill for an act relating to the town of St. Augusta; authorizing the establishment of a detached banking facility under certain conditions.

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

So the bill passed and its title was agreed to.

H.F. No. 321: A bill for an act relating to consumer protection; regulating new motor vehicle sales; limiting a dealer's liability due to the manufacturer's failure to repair, refund, or replace nonconforming vehicles; amending Minnesota Statutes 1988, section 325F665, 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.	Merriam	Purfeerst
Anderson	Decker	Knaak	Metzen	Ramstad
Beckman	DeCramer	Kroening	Moe, D.M.	Reichgott
Belanger	Dicklich	Laidig	Moe, R.D.	Renneke
Benson	Diessner	Langseth	Morse	Samuelson
Berg	Frank	Lantry	Novak	Schmitz
Bernhagen	Frederick	Larson	Olson	Solon
Bertram	Frederickson, D.J.	Lessard	Pariseau	Spear
Brandl	Frederickson, D.R.	Luther	Pehler	Storm
Brataas	Freeman	Marty	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Taylor
Cohen	Hughes	McQuaid	Piper	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 108: A bill for an act relating to natural resources; authorizing fees for special hunts; amending Minnesota Statutes 1988, section 97A.401, 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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



So the bill passed and its title was agreed to.

S.F. No. 390: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Todd 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	Decker	Knaak	Metzen	Ramstad
Anderson	DeCramer	Kroening	Moe, D.M.	Reichgott
Beckman	Dicklich	Laidig	Moe, R.D.	Renneke
Belanger	Diessner	Langseth	Morse	Samuelson
Benson	Frank	Lantry	Novak	Schmitz
Bernhagen	Frederick	Larson	Olson	Solon
Bertram	Frederickson, D.J.	Lessard	Pariseau	Spear
Brandl	Frederickson, D.R.	Luther	Pehler	Storm
Brataas	Freeman	Marty	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Taylor
Cohen	Hughes	McQuaid	Piper	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf
Davis	Johnson, D.J.	Merriam	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 192: A bill for an act relating to natural resources; increasing certain limits on security in lieu of bond for forestry development projects; amending Minnesota Statutes 1988, section 574.264, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 681: A bill for an act relating to housing; changing terminology in the temporary housing demonstration program; extending the authorized duration of transitional housing; providing for an annual report to the legislature; amending Minnesota Statutes 1988, section 268.38, subdivisions 1, 2, 4, 8, 11, and 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 60: A bill for an act relating to water; recodifying, clarifying, and relocating provisions relating to water law; amending Minnesota Statutes 1988, sections 9.071; 16B.62, subdivision 1; 18.191; 18B.07, subdivision 6; 40A.13, subdivision 1; 41B.039, subdivision 3; 84.083, by adding subdivisions; 84.91, subdivision 4; 84.911, subdivisions 5 and 6; 84.95, subdivision 2; 85.33, subdivision 3; 86A.05, subdivision 10; 88.43, subdivision 2; 93.335, subdivision 1; 94.343, subdivision 4; 97A.015, subdivision 41; 97A.071, subdivision 4; 97A.101, subdivision 2; 115.097, subdivision 2; 144.95, subdivision 4; 156A.10, subdivision 2; 161.28, subdivision 1; 163.17; 272.02, subdivisions 1 and 6; 273.19, subdivision 5; 295.44, subdivision 1; 357.021, subdivision 2; 375.471; 383A.602, subdivision 5; 383A.604, subdivision 1; 394.25, subdivision 2; 459.20; 462.357, subdivision 1; 465.20; 469.141, subdivision 4; 469.174, subdivision 19; 471.345, subdivision 3; 471.591, subdivision 1; 471.98, subdivision 2; 473.191, subdivision 2; 609.68; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A; 97C; 156A; and 383B; proposing coding for new law as Minnesota Statutes, chapters 86B; 103A; 103B; 103C; 103D; 103E; 103F; and 103G; repealing Minnesota Statutes 1988, sections 40.01 to 40.45; 84.031; 84.032; and 84.158; 104.01 to 104.50; 105.37 to 105.81; 106A.005 to 106A.811; 110.13 to 110.72; 110B.01 to 110B.35; 112.34 to 112.89; 114.12 and 114.13; 114B.01 to 114B.07; 116C.41; 361.01 to 361.29; 378.01 to 378.57; 465.18; and 473.875 to 473.883.

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

So the bill passed and its title was agreed to.

S.F No. 478: A bill for an act relating to education; providing for donations to the permanent school fund; amending Minnesota Statutes 1988, sections 84.085 and 124.08.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F No. 273: A bill for an act relating to education; establishing requirements for membership on an education district board; amending Minnesota Statutes 1988, section 122.92.

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

So the bill passed and its title was agreed to.

S.F No. 699: A bill for an act relating to alcoholic beverages; authorizing Cook county to issue an off-sale liquor license.

Was read the third time 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	Moe, D.M.	Renneke
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Pariseau	Spear
Berg	Frederick	Lessard	Pehler	Storm
Bernhagen	Frederickson, D.J.	Luther	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Marty	Peterson, R.W.	Taylor
Brandl	Freeman	McGowan	Piper	Vickerman
Brataas	Gustafson	McQuaid	Pogemiller	Waldorf
Chmielewski	Hughes	Mehrks	Purfeerst	
Cohen	Johnson, D.E.	Merriam	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 358: A bill for an act relating to liquor; clarifying license eligibility; changing the time of sale on certain holidays; allowing for the dispensing of samples of malt liquor; amending Minnesota Statutes 1988, sections 340A.402; 340A.504, subdivisions 2, 3, and 4; and 340A.510.

Was read the third time 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 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Laidig, Merriam, Ms. Olson and Mr. Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 428: A bill for an act relating to elections; authorizing the distribution of campaign material under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 211B.

Was read the third time 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	Pogemiller
Anderson	Davis	Johnson, D.J.	Merriam	Purfeerst
Beckman	Decker	Knaak	Metzen	Ramstad
Belanger	DeCramer	Kroening	Moe, D.M.	Reichgott
Benson	Dicklich	Laidig	Moe, R.D.	Renneke
Berg	Diessner	Langseth	Morse	Samuelson
Berglin	Frank	Lantry	Novak	Schmitz
Bernhagen	Frederick	Larson	Olson	Spear
Bertram	Frederickson, D.J.	Lessard	Pariseau	Storm
Brandl	Frederickson, D.R.	Luther	Pehler	Stumpf
Brataas	Freeman	Marty	Peterson, D.C.	Taylor
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Vickerman
Cohen	Hughes	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F No. 82: A bill for an act relating to workers' compensation; regulating the location for certain physical examinations; amending Minnesota Statutes 1988, section 176.155, subdivision 1.

Was read the third time 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	Pogemiller
Anderson	Davis	Johnson, D.J.	Merriam	Purfeerst
Beckman	Decker	Knaak	Metzen	Ramstad
Belanger	DeCramer	Kroening	Moe, D.M.	Renneke
Benson	Dicklich	Laidig	Moe, R.D.	Samuelson
Berg	Diessner	Langseth	Morse	Schmitz
Berglin	Frank	Lantry	Novak	Spear
Bernhagen	Frederick	Larson	Olson	Storm
Bertram	Frederickson, D.J.	Lessard	Pariseau	Stumpf
Brandl	Frederickson, D.R.	Luther	Pehler	Taylor
Brataas	Freeman	Marty	Peterson, D.C.	Vickerman
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Waldorf
Cohen	Hughes	McQuaid	Piper	

So the bill passed and its title was agreed to.

H.F No. 664: A bill for an act relating to local government; providing for the appointment of certain employees of the city of Minneapolis and special school district No. 1; amending Laws 1969, chapter 937, section 1, subdivision 9, 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 481: A bill for an act relating to the city of Mora; authorizing the city to negotiate certain contracts.

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

So the bill passed and its title was agreed to.

S.F. No. 435: A bill for an act relating to veterans; changing admissions, discharge, and utilization review procedures for veterans homes; granting rulemaking authority to the veterans homes board; changing certain rights and presumptions; amending Minnesota Statutes 1988, sections 198.003; 198.007; 198.022; 198.03; and 198.32; proposing coding for new law in Minnesota Statutes, chapter 198.

Was read the third time 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	Pogemiller
Anderson	Davis	Johnson, D.J.	Merriam	Purfeerst
Beckman	Decker	Knaak	Metzen	Ramstad
Belanger	DeCramer	Kroening	Moe, D.M.	Reichgott
Benson	Dicklich	Laidig	Moe, R.D.	Renneke
Berg	Diessner	Langseth	Morse	Samuelson
Berglin	Frank	Lantry	Novak	Schmitz
Bernhagen	Frederick	Larson	Olson	Solon
Bertram	Frederickson, D.J.	Lessard	Pariseau	Spear
Brandl	Frederickson, D.R.	Luther	Pehler	Stumpf
Brataas	Freeman	Marty	Peterson, D.C.	Taylor
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Vickerman
Cohen	Hughes	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 133: A bill for an act relating to statutes; providing free copies of Minnesota Statutes to public utilities commission; amending Minnesota Statutes 1988, section 3C.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 60 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Dahl, Marty and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 701: A bill for an act relating to insurance; requiring coverage for child health supervision and prenatal services; clarifying certain definitions; amending Minnesota Statutes 1988, section 62A.047.

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

So the bill passed and its title was agreed to.

S.F. No. 916: A bill for an act relating to consumer protection; regulating landscape application contracts; providing penalties and remedies; 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 332: A bill for an act relating to game and fish; open season for walleyed pike on the Rainy River; amending Minnesota Statutes 1988, section 97C.403, 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.	Merriam	Purfeerst
Anderson	Davis	Johnson, D.J.	Metzen	Ramstad
Beckman	Decker	Knaak	Moe, D.M.	Reichgott
Belanger	DeCramer	Kroening	Moe, R.D.	Renneke
Benson	Dicklich	Laidig	Morse	Samuelson
Berg	Diessner	Langseth	Novak	Schmitz
Berglin	Frank	Lantry	Olson	Solon
Bernhagen	Frederick	Lessard	Pariseau	Spear
Bertram	Frederickson, D.J.	Luther	Pehler	Storm
Brandl	Frederickson, D.R.	Marty	Peterson, D.C.	Stumpf
Brataas	Freeman	McGowan	Peterson, R.W.	Taylor
Chmielewski	Gustafson	McQuaid	Piper	Vickerman
Cohen	Hughes	Mehrkens	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 271: A bill for an act relating to game and fish; contents of firearms safety course for young hunters; amending Minnesota Statutes 1988, section 97B.015, 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.	Merriam	Purfeerst
Anderson	Davis	Johnson, D.J.	Metzen	Ramstad
Beckman	Decker	Knaak	Moe, D.M.	Reichgott
Belanger	DeCramer	Kroening	Moe, R.D.	Renneke
Benson	Dicklich	Laidig	Morse	Samuelson
Berg	Diessner	Langseth	Novak	Schmitz
Berglin	Frank	Lantry	Olson	Solon
Bernhagen	Frederick	Larson	Pariseau	Spear
Bertram	Frederickson, D.J.	Lessard	Pehler	Storm
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Stumpf
Brataas	Freeman	Marty	Peterson, R.W.	Taylor
Chmielewski	Gustafson	McGowan	Piper	Vickerman
Cohen	Hughes	McQuaid	Pogemiller	Waldorf



So the bill passed and its title was agreed to.

S.F. No. 331: A bill for an act relating to notaries public; eliminating the requirement that notaries be bonded; amending Minnesota Statutes 1988, sections 359.02 and 359.071.

Was read the third time 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	Purfeerst
Anderson	Davis	Knaak	Metzen	Ramstad
Beckman	Decker	Kroening	Moe, D.M.	Reichgott
Belanger	DeCramer	Laidig	Moe, R.D.	Renneke
Benson	Dicklich	Langseth	Morse	Samuelson
Berg	Diessner	Lantry	Novak	Schmitz
Berglin	Frank	Larson	Olson	Solon
Bernhagen	Frederick	Lessard	Pariseau	Spear
Bertram	Frederickson, D.R.	Luther	Pehler	Storm
Brandl	Freeman	Marty	Peterson, D.C.	Taylor
Brataas	Gustafson	McGowan	Peterson, R.W.	Vickerman
Chmielewski	Hughes	McQuaid	Piper	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 46: A bill for an act relating to taxation; exempting leased hangars at airports in small cities from property taxation; amending Minnesota Statutes 1988, sections 272.01, subdivision 2; and 273.19, 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 47 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Novak	Schmitz
Anderson	Davis	Johnson, D.E.	Pariseau	Solon
Beckman	Decker	Johnson, D.J.	Pehler	Storm
Belanger	DeCramer	Kroening	Peterson, D.C.	Stumpf
Benson	Dicklich	Langseth	Piper	Taylor
Berglin	Diessner	Larson	Pogemiller	Vickerman
Bernhagen	Frederick	Lessard	Purfeerst	Waldorf
Bertram	Frederickson, D.J.	Mehrkens	Reichgott	
Brataas	Frederickson, D.R.	Metzen	Renneke	
Chmielewski	Gustafson	Moe, R.D.	Samuelson	

Those who voted in the negative were:

Berg	Freeman	Luther	Merriam	Peterson, R.W.
Brandl	Knaak	Marty	Moe, D.M.	Ramstad
Dahl	Laidig	McGowan	Morse	Spear
Frank	Lantry	McQuaid	Olson	

So the bill passed and its title was agreed to.

S.F. No. 260: A bill for an act relating to probate; providing for a statutory will; enacting the uniform statutory will act; proposing coding as Minnesota Statutes, chapter 524A.

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

Ms. Reichgott voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 134: A bill for an act relating to government data practices; authorizing release of certain data to state committee of blind vendors; amending Minnesota Statutes 1988, section 13.791, 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 831: A bill for an act relating to local government; permitting local government appropriations for the arts; proposing coding for new law in Minnesota Statutes, chapter 471.

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

So the bill passed and its title was agreed to.

The question recurred on S.F. No. 218.

S.F. No. 218: A bill for an act relating to health; amending the bill of rights for patients and residents of health facilities; requiring health facilities to notify family members of the admission of a patient or resident under certain circumstances; amending Minnesota Statutes 1988, section 144.651, 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 388: A resolution memorializing the President and Congress to enact legislation to allow the use of flexible highway design standards in the interstate highway 35W corridor, to make federal money available for a light rail transit system, and to make funds available for the completion and repair of federal aid highways.

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 58 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Pariseau	Renneke	Schmitz	Waldorf
Frederick				

So the resolution passed and its title was agreed to.

S.F. No. 493: A bill for an act relating to juvenile court; expanding the definition of child in need of protection or services; expanding the child hearsay exception to include statements regarding the abuse or neglect of another child witnessed by the child making the statement; clarifying the authority of the court to order the temporary removal of a child due to immediate endangerment; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.156; and 260.172, 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

H.F. No. 897: A bill for an act relating to local government; clarifying certain procedures for adoption of town optional plans of government; amending Minnesota Statutes 1988, sections 367.31, subdivisions 1, 2, 3, and 5; and 367.33, subdivisions 1 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

Messrs. Pehler; Solon; Pogemiller; Frederickson, D.J. and Decker introduced—

S.F. No. 1276: A bill for an act relating to education; establishing grants for parent-to-parent support programs; appropriating money; amending Minnesota Statutes 1988, section 120.17, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Cohen, Pogemiller and Moe, R.D. introduced—

S.F. No. 1277: A bill for an act relating to economic development; appropriating money to the Minnesota Music Academy.

Referred to the Committee on Finance.

Messrs. Gustafson and Solon introduced—

S.F. No. 1278: A bill for an act relating to taxation; extending the duration of a property tax exemption for land held for economic development by the city of Hermantown; amending Laws 1988, chapter 719, article 19, section 31.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1279: A bill for an act relating to agriculture; establishing an agricultural landlord rental incentive program under the rural finance authority; authorizing certain payments to owners of farmland; redirecting distributions of certain unclaimed property; appropriating money; amending Minnesota Statutes 1988, section 308.12, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 41B.

Referred to the Committee on Agriculture and Rural Development.

Mr. Benson introduced—

S.F. No. 1280: A bill for an act relating to human services; excluding church-sponsored religious instruction for preschoolers from day care

licensing; amending Minnesota Statutes 1988, section 245A.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Benson introduced—

S.F. No. 1281: A bill for an act relating to taxes; modifying certain special assessment costs, procedures, and dates; amending Minnesota Statutes 1988, sections 429.051; 429.061, subdivisions 1, 2, and 3; and 429.081.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Benson; Knutson; Moe, R.D.; Merriam and Brandl introduced—

S.F. No. 1282: A bill for an act relating to human services; adopting the asset limitations used by the veterans homes for purposes of determining medical assistance eligibility for veterans; amending Minnesota Statutes 1988, section 256B.056, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Belanger and Freeman introduced—

S.F. No. 1283: A bill for an act relating to local government; permitting a city or county to authorize and regulate casino nights; amending Minnesota Statutes 1988, sections 349.31, subdivision 1; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Luther, Spear, Merriam and Ms. Peterson, D.C. introduced—

S.F. No. 1284: A bill for an act relating to probate; authorizing the court to set aside certain transactions made prior to establishment of a guardianship or conservatorship; amending Minnesota Statutes 1988, section 525.56, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Davis, DeCramer, Bertram, Ms. Olson and Mr. Vickerman introduced—

S.F. No. 1285: A bill for an act relating to livestock; providing funds for the Minnesota extension service to match other money to establish a position in the college of veterinary medicine for an expert on small ruminants; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

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

S.F. No. 1286: A bill for an act relating to human services; increasing the limit for swing beds; amending Minnesota Statutes 1988, section 144.562, subdivision 2.

Referred to the Committee on Health and Human Services.

Mrs. Lantry introduced—

S.F. No. 1287: A bill for an act relating to local government; exempting city of the first class from certain parking design standards; proposing coding for new law in Minnesota Statutes, chapter 162.

Referred to the Committee on Transportation.

Mr. Diessner introduced—

S.F. No. 1288: A bill for an act relating to crimes; creating and defining the guilty and insane plea; abolishing the insanity defense; providing procedures governing the use of the guilty and insane plea; providing for examination of persons pleading guilty and insane; providing sentencing and treatment for persons found guilty and insane; authorizing the supreme court to promulgate or amend rules consistent with law; amending Minnesota Statutes 1988, sections 253B.02, subdivision 4; 253B.07, subdivisions 1, 2, 3, and 7; 253B.08, subdivision 7; 253B.12, subdivision 4; 253B.18, subdivisions 1 and 4b; 253B.21, subdivision 5; and 480.059, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1988, sections 253B.02, subdivisions 4a and 20; 253B.07, subdivision 2a; 611.025; and 611.026.

Referred to the Committee on Judiciary.

Mr. Johnson, D.J. introduced—

S.F. No. 1289: A bill for an act relating to natural resources; authorizing the Elephant Creek impoundment in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Mrs. Lantry introduced—

S.F. No. 1290: A bill for an act relating to appropriations; appropriating money to evaluate the St. Paul national indoor sports training center.

Referred to the Committee on Finance.

Mr. Merriam introduced—

S.F. No. 1291: A bill for an act relating to retirement; public employees local government correctional service retirement plan; expanding plan coverage to include certain Hennepin county medical center ambulance service personnel; amending Minnesota Statutes 1988, section 353C.02.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1292: A bill for an act relating to Aitkin county; allowing a special levy for economic development; amending Minnesota Statutes 1988, section 275.50, subdivision 5, and by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Mr. Chmielewski introduced—

S.F. No. 1293: A bill for an act relating to local government; permitting Carlton county and the city of Cloquet to jointly provide a government

building.

Referred to the Committee on Local and Urban Government.

Mr. Waldorf introduced—

S.F. No. 1294: A bill for an act relating to retirement; Minnesota state retirement system; directing payment of Medicare Plan B supplemental medical coverage costs for designated retirees receiving annuities from the system; proposing coding for new law in Minnesota Statutes, chapter 352.

Referred to the Committee on Governmental Operations.

Mr. Metzen introduced—

S.F. No. 1295: A bill for an act relating to appropriations; providing funds for a United States and Soviet Union high school academic program.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 1296: A bill for an act relating to retirement; legislators retirement plan; providing retirement annuities to certain pre-1965 former legislators; appropriating money.

Referred to the Committee on Governmental Operations.

Mr. Metzen introduced—

S.F. No. 1297: A bill for an act relating to commerce; unclaimed property; providing for the ownership of metal dies and molds; amending Minnesota Statutes 1988, section 345.20, subdivision 1.

Referred to the Committee on Commerce.

Mr. Metzen introduced—

S.F. No. 1298: A bill for an act relating to education; modifying the eligibility for exceptional need revenue; amending Minnesota Statutes 1988, section 124.217, subdivision 1.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 1299: A bill for an act relating to insurance; health and accident; regulating unfair settlement practices; requiring claims payments under valid assignments of benefits; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Cohen introduced—

S.F. No. 1300: A bill for an act relating to courts; providing that the prosecuting political subdivision shall be responsible for the payment of prosecution witness fees in criminal and juvenile cases; amending Minnesota Statutes 1988, sections 357.24; 357.241; and 357.32.

Referred to the Committee on Judiciary.



Mr. Metzen introduced—

S.F. No. 1301: A bill for an act relating to retirement; providing for proportionate membership and participation of retired police and fire-fighters in local relief associations; amending Minnesota Statutes 1988, sections 69.26, subdivision 2; and 423A.07.

Referred to the Committee on Governmental Operations.

Messrs. Solon, Metzen, Spear and Moe, R.D. introduced—

S.F. No. 1302: A resolution memorializing the Board of Governors of the Federal Reserve Board to reject amendments to its rules that would govern permissible activities of state-chartered banks.

Referred to the Committee on Commerce.

Messrs. DeCramer, Vickerman, Purfeerst and Langseth introduced—

S.F. No. 1303: A bill for an act relating to transportation; requiring nonrailroad lessors to comply with certain procedures before sale of property interests; regulating cancellations of leases of railroad right-of-way; amending Minnesota Statutes 1988, sections 222.631, by adding a subdivision; 222.632; and 222.633; proposing coding for new law in Minnesota Statutes, chapter 230.

Referred to the Committee on Transportation.

Messrs. Marty, Pogemiller, Ms. Peterson, D.C. and Mr. Samuelson introduced—

S.F. No. 1304: A bill for an act relating to education; appropriating money for a cancer research center at the University of Minnesota.

Referred to the Committee on Finance.

Messrs. Marty, Morse, Mes. Peterson, D.C. and Piper introduced—

S.F. No. 1305: A bill for an act relating to disabled persons; creating an adaptive equipment loan guarantee program governed by a board of directors; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Health and Human Services.

Messrs. Davis; Frederickson, D.J.; Benson; DeCramer and Pehler introduced—

S.F. No. 1306: A bill for an act relating to education; providing for secondary vocational aid and programs; amending Minnesota Statutes 1988, section 124.573, subdivision 2b, and by adding subdivisions.

Referred to the Committee on Education.

Messrs. Davis; Peterson, R.W. and Chmielewski introduced—

S.F. No. 1307: A bill for an act relating to agriculture; establishing an agricultural liming material law; appropriating money; prescribing penalties; amending Minnesota Statutes 1988, section 17.7242, subdivision

1; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1988, sections 17.7241; 17.7244; and 17.7246.

Referred to the Committee on Agriculture and Rural Development.

Messrs. DeCramer, Larson, Ms. Olson, Messrs. Pehler and Hughes introduced—

S.F. No. 1308: A bill for an act relating to education; establishing a staff exchange program.

Referred to the Committee on Education.

Mr. Hughes introduced—

S.F. No. 1309: A bill for an act relating to education; establishing assessment requirements for Braille instruction; amending Minnesota Statutes 1988, section 126.071, subdivision 2, and by adding a subdivision.

Referred to the Committee on Education.

Mr. Pogemiller, Ms. Peterson, D.C.; Mr. Hughes, Ms. Olson and Mr. Johnson, D.J. introduced—

S.F. No. 1310: A bill for an act relating to taxation; property; extending homestead treatment to VISTA or Peace Corps volunteers; amending Minnesota Statutes 1988, section 273.124, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1311: A bill for an act relating to education; establishing state-wide bargaining for all school district teachers; changing school district teachers to state employees; amending Minnesota Statutes 1988, sections 123.35, subdivision 5; 179A.03, subdivisions 2, 14, and 18; 179A.10, subdivisions 1 and 2; 179A.17; 179A.18, subdivision 2; and 179A.20, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 179A.

Referred to the Committee on Education.

Mrs. McQuaid introduced—

S.F. No. 1312: A bill for an act relating to retirement; St. Louis Park police; remarriage of surviving spouse.

Referred to the Committee on Governmental Operations.

Mrs. McQuaid introduced—

S.F. No. 1313: A bill for an act relating to retirement; converting joint and survivor options to normal annuities; amending Minnesota Statutes 1988, sections 352.116, subdivision 3; 353.30, subdivision 3; and 354.45, subdivision 1.

Referred to the Committee on Governmental Operations.

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

S.F. No. 1314: A bill for an act relating to higher education; repealing limits on salaries of certain higher education officials; amending Minnesota Statutes 1988, section 15A.081, subdivision 7b.

Referred to the Committee on Education.

Messrs. Morse, Vickerman, Davis, Luther and Dahl introduced—

S.F. No. 1315: A bill for an act relating to agriculture; requiring country-of-origin labeling on certain food; imposing penalties; amending Minnesota Statutes 1988, section 31.12; proposing coding for new law in Minnesota Statutes, chapter 31.

Referred to the Committee on Agriculture and Rural Development.

Mr. Beckman introduced—

S.F. No. 1316: A bill for an act relating to appropriations; providing funds to study the feasibility of an aerospace exploratorium at Sherburn.

Referred to the Committee on Finance.

Mr. Frank introduced—

S.F. No. 1317: A bill for an act relating to unemployment insurance; modifying the base period; amending Minnesota Statutes 1988, section 268.04, subdivision 2.

Referred to the Committee on Employment.

Messrs. Johnson, D.J. and Frank introduced—

S.F. No. 1318: A bill for an act relating to taxation; reducing the premiums tax rate on certain workers' compensation insurance; amending Minnesota Statutes 1988, section 60A.15, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dicklich introduced—

S.F. No. 1319: A bill for an act relating to retirement; teachers retirement association; permitting the purchase of prior service by certain persons employed by a school district cooperative.

Referred to the Committee on Governmental Operations.

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

S.F. No. 1320: A bill for an act relating to regional development; dissolving arrowhead regional development commissions.

Referred to the Committee on Economic Development and Housing.

Ms. Peterson, D.C. introduced—

S.F. No. 1321: A bill for an act relating to education; allowing a school board to compel attendance of enrolled pupils under the age of seven; making conforming changes; amending Minnesota Statutes 1988, sections

120.101, subdivision 5, and by adding a subdivision; and 127.20.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 1322: A bill for an act relating to education; proposing certain library grants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 134.

Referred to the Committee on Education.

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

S.F. No. 1323: A bill for an act relating to deprivation of parental rights; increasing penalties for parental kidnapping where weapon is used, child is abused, or ransom is demanded; prohibiting concealing a child abducted in another state; amending Minnesota Statutes 1988, section 609.26, subdivisions 1 and 6.

Referred to the Committee on Judiciary.

Messrs. Cohen, Taylor and Knaak introduced—

S.F. No. 1324: A bill for an act relating to meetings of public bodies; government data practices; defining final disposition of a disciplinary action regarding personnel records; making clear that the open meeting law applies to advisory bodies and that meetings may not be closed on the basis of data classification statutes; providing an exception to the open meeting law for preliminary discussions concerning allegations of misconduct against government employees; amending Minnesota Statutes 1988, sections 13.43, subdivision 2; and 471.705, subdivision 1, and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 1325: A bill for an act relating to handicapped persons; permitting training of guide dogs in public accommodations; amending Minnesota Statutes 1988, section 256C.02.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 1326: A bill for an act relating to retirement; volunteer firefighters; excluding volunteer firefighters serving with the Brooklyn Center fire department from the definition of public employee.

Referred to the Committee on Governmental Operations.

Mr. Luther introduced—

S.F. No. 1327: A bill for an act relating to retirement; repealing the local laws governing the Brooklyn Center firemen's relief association; repealing Laws 1967, chapter 815, as amended.

Referred to the Committee on Governmental Operations.

Messrs. Decker, Stumpf and Larson introduced—

S.F. No. 1328: A bill for an act relating to natural resources; exempting residents over 65 from licensing for harvesting of wild rice; amending Minnesota Statutes 1988, section 84.091, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Pogemiller introduced—

S.F. No. 1329: A bill for an act relating to retirement; governmental employees in general; establishing a normal retirement age of 65 years; changing contribution rates; lowering minimum service periods required for annuities and disability benefits; applying a uniform percentage to all years of service; adopting a rule of 90; altering reductions for early retirement; increasing rates of interest on refunds; increasing interest assumptions; extending the date for full funding; granting authority for certain bylaw amendments; amending Minnesota Statutes 1988, sections 352.01, subdivision 19, and by adding a subdivision; 352.04, subdivisions 2 and 3; 352.113, subdivisions 1 and 12; 352.115, subdivisions 1, 2, and 3; 352.116; 352.12, subdivisions 1, 2, and 6; 352.22, subdivisions 2 and 3; 352.72, subdivisions 1, 2, and 5; 352.85, subdivision 1; 352.93, subdivisions 1 and 3; 352.95, subdivisions 2 and 5; 352B.01, subdivision 11; 352B.08, subdivision 1; 352B.11, subdivisions 1 and 2; 352B.30, subdivision 1; 353.01, by adding a subdivision; 353.27, subdivision 2; 353.29, subdivisions 1, 2, and 3; 353.30; 353.32, subdivisions 1 and 1a; 353.33, subdivisions 1, 3, and 11; 353.34, subdivisions 2, 3, and 3a; 353.651, subdivisions 1 and 2; 353.657, subdivision 2a; 353.71, subdivisions 1, 2, and 5; 353C.06, subdivisions 1, 2, and 4; 353C.08, subdivision 5; 354.05, by adding a subdivision; 354.35; 354.41, subdivision 3; 354.42, subdivisions 2 and 3; 354.44, subdivisions 1, 1a, 6, and 7; 354.45, subdivision 1, and by adding a subdivision; 354.46, subdivision 2; 354.47, subdivision 1; 354.48, subdivisions 1, 3, and 10; 354.49, subdivisions 2 and 3; 354.55, subdivision 11; 354.60; 354A.011, subdivision 20, and by adding a subdivision; 354A.12, subdivisions 1 and 2; 354A.21; 354A.31, subdivisions 1, 4, 5, 6, and by adding a subdivision; 354A.32, subdivision 1, and by adding a subdivision; 354A.35, subdivisions 1 and 2; 354A.36, subdivisions 1, 3, and 10; 354A.37, subdivisions 2, 3, and 4; 354A.39; 356.215, subdivisions 4d and 4g; 356.30, subdivision 1; and 356.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1988, section 354A.32, subdivision 2.

Referred to the Committee on Governmental Operations.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

## MOTIONS AND RESOLUTIONS

Mr. Morse moved that S.F. No. 882 be withdrawn from the Committee on Finance and re-referred to the Committee on Education. The motion prevailed.

Mr. Morse moved that S.F. No. 278 be withdrawn from the Committee on Economic Development and Housing and re-referred to the Committee on Local and Urban Government. The motion prevailed.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 3, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-SEVENTH DAY

St. Paul, Minnesota, Monday, April 3, 1989

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

Prayer was offered by the Chaplain, Rabbi Stacy Offner.

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

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

Messrs. Dicklich and Johnson, D.E. were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 20, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Marilyn Rose, 2500 Fernwood, Roseville, Ramsey County, has been

appointed by me, effective March 12, 1989, for a term expiring June 30, 1989.

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

Sincerely,  
Rudy Perpich, Governor

March 30, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
	148	13	0917 hours March 29	March 29
121		14	1344 hours March 29	March 29
149		15	0918 hours March 29	March 29
	512	16	1345 hours March 29	March 29
	387	17	1342 hours March 29	March 29
	509	18	1344 hours March 29	March 29

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. 286 and 686.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 95:

H.F. No. 95: A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota



Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Bishop, Kelly and Vellenga have been appointed as such committee on the part of the House.

House File No. 95 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, 1989

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 95, 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. 436, 774, 804, 943, 630 and 931.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 436: A bill for an act relating to education; requiring the state board of education to prepare a rule on preparation time for teachers; requiring the rule to be enacted into law before becoming effective.

Referred to the Committee on Education.

H.F. No. 774: A bill for an act relating to agriculture; changing voting rights in certain cooperative associations; amending Minnesota Statutes 1988, section 308.07, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 676.

H.F. No. 804: A bill for an act relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 943: A bill for an act relating to health; requiring post-secondary students to submit a statement of immunization; providing exemptions; amending Minnesota Statutes 1988, section 123.70, subdivisions 1, 2, 4,

8, 9, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

H.F. No. 630: A bill for an act relating to elections; changing or clarifying provisions governing absentee voting, mail elections, election day activities, ballots, canvassing, municipal elections, school district elections, voting systems, election contests, and financial reporting; amending Minnesota Statutes 1988, sections 10A.02, subdivision 8; 204B.27, by adding a subdivision; 204B.40; 204B.46; 204C.06, subdivision 1; 204C.31, by adding a subdivision; 204C.36; 204C.361; 204D.08, subdivision 1; 204D.23, by adding a subdivision; 204D.27, subdivision 9; 205.16, by adding a subdivision; 205A.07, by adding a subdivision; 206.57, subdivision 1; 206.66; 206.90, subdivision 3; 209.021, subdivision 1; 211A.02, subdivision 1; 211A.05, subdivision 1; and 211B.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 202A; 203B; and 206; repealing Minnesota Statutes 1988, section 211B.11, subdivision 2.

Referred to the Committee on Elections and Ethics.

H.F. No. 931: A bill for an act relating to motor vehicles; requiring owner to retain certificate of title, rather than secured party; requiring buyer to deliver certificate of title to department of public safety; allowing commissioner of public safety to suspend or revoke certificate of title if owner does not surrender it and vehicle is involuntarily transferred; amending Minnesota Statutes 1988, sections 168A.02, subdivision 1; 168A.04, subdivision 2; 168A.05, subdivision 5; 168A.06; 168A.09; 168A.10; 168A.11, subdivision 1; 168A.12, subdivision 2; 168A.14; 168A.18; 168A.20, subdivision 1, and by adding subdivisions; 168A.23, subdivision 1; repealing Minnesota Statutes 1988, sections 168A.26; 168A.27; and 168A.28.

Referred to the Committee on Transportation.

## 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. 1018. The motion prevailed.

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

S.F. No. 503: A bill for an act relating to community development; providing for a community resources program for cities of the first class; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 466A.

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

Delete everything after the enacting clause and insert:

“Section 1. [466A.01] [DEFINITIONS.]

*Subdivision 1.* [SCOPE.] *The definitions in this section apply to sections 1 to 9.*

*Subd. 2.* [ASSISTED HOUSING.] *“Assisted housing” means any property used for residential housing that is:*

(1) either owned or is under the direct management and control of a housing agency, and is used in a manner authorized and contemplated by sections 469.001 to 469.047;

(2) defined as emergency shelter under section 272.02, subdivision 1, clause (12);

(3) transitional housing as defined in section 272.02, subdivision 1, clause (19);

(4) classified as class 4c property under section 273.13, subdivision 25, paragraph (c), clause (4);

(5) a qualified low income building that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1987; or (ii) meets the requirements of that section and construction or rehabilitation of which began prior to May 1, 1988; or

(6) otherwise owned or operated by a governmental unit or nonprofit organization.

Subd. 3. [CITY.] "City" means a city of the first class as defined in section 410.01.

Subd. 4. [CITY COUNCIL.] "City council" means the city council of a city as defined in subdivision 3.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of state planning.

Subd. 6. [COMMUNITY.] "Community" means all or part of a targeted neighborhood.

Subd. 7. [COMMUNITY RESOURCE MONEY.] "Community resource money" means the money designated in the community resources program to be used to implement the community resources program.

Subd. 8. [COMMUNITY RESOURCES PROGRAM.] "Community resources program" or "program" means a community resources program adopted according to section 3.

Subd. 9. [COMMUNITY RESOURCES SERVICES.] "Community resources services" means programs, activities, and services intended to meet the objectives stated in section 3, subdivision 2. Programs, activities, and services may include:

(1) community planning and organizing efforts;

(2) employment and training services programs defined in section 256.736, subdivision 1a, clause (d);

(3) assisted housing;

(4) services to stabilize neighborhoods;

(5) services to families and individuals intended to stabilize families and individuals or provide assistance for family needs including services to improve the educational achievement and development of minor family members;

(6) child care services;

(7) housing assistance;

- (8) *personal and family counseling;*
- (9) *health services;*
- (10) *parenting skills;*
- (11) *chemical dependency, counseling and treatment services;*
- (12) *crime prevention services;*
- (13) *services for victims of crime;*
- (14) *security services for assisted housing;*
- (15) *independent living services;*
- (16) *residential safe houses for teenage youth; and*
- (17) *recreational alternatives for youth.*

*Subd. 10. [COUNTY BOARD.] "County board" means the board of county commissioners of a county containing a city.*

*Subd. 11. [SCHOOL BOARD.] "School board" means the school board of an independent school district or special school district having a student enrollment of 10,500 or more located wholly or partially within a city.*

*Subd. 12. [TARGETED NEIGHBORHOOD.] "Targeted neighborhood" means an area including one or more census tracts as determined and measured by the Bureau of Census of the United States Department of Commerce that a city council determines by resolution meets the criteria of section 2, subdivision 2, and any additional area designated under section 2.*

**Sec. 2. [466A.02] [DESIGNATION OF TARGETED NEIGHBORHOODS.]**

*Subdivision 1. [CITY AUTHORITY.] A city may by resolution designate targeted neighborhoods within its borders after adopting detailed findings that the designated neighborhoods meet the eligibility requirements in subdivision 2 or 3.*

*Subd. 2. [ELIGIBILITY REQUIREMENTS FOR TARGETED NEIGHBORHOODS.] An area within a city is eligible for designation as a targeted neighborhood if the area meets at least two of the following three criteria:*

*(a) The area had an unemployment rate that was twice the unemployment rate for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.*

*(b) The median household income in the area was no more than half the median household income for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.*

*(c) The area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this clause if 25 percent or more of the residential dwelling units are in substandard condition as determined by the city or 70 percent or more of the residential dwelling units in the area were built before 1940 as determined by the 1980 federal decennial census.*

*Subd. 3. [ADDITIONAL AREA ELIGIBLE FOR INCLUSION IN TARGETED NEIGHBORHOOD.] (a) The city may add to the area designated as a targeted neighborhood under subdivision 2 additional area extending*

up to four contiguous city blocks in all directions from the designated targeted neighborhood. For the purpose of this subdivision, "city block" has the meaning determined by the city.

(b) The city may add to the area designated as a targeted neighborhood under subdivision 2 an additional area in a contiguous census tract to the targeted neighborhood provided that the city council first finds that the additional area meets at least two of the three criteria of subdivision 2.

Sec. 3. [466A.03] [COMMUNITY RESOURCES PROGRAM.]

*Subdivision 1. [COMMUNITY RESOURCES PROGRAM; REQUIREMENT.] A city must prepare an annual comprehensive community resources program that is consistent with the recommendations of targeted neighborhood residents and organizations serving or representing these residents. The program must describe the specific community resource services and means by which the community intends to pursue and implement the program objectives outlined in subdivision 2 for each targeted neighborhood served under the program.*

*Subd. 2. [COMMUNITY RESOURCES PROGRAM OBJECTIVES.] A community resources program must address the following objectives:*

*(1) establish means for stabilizing families so family members can become more functional as a family unit and as members of the community. This objective addresses family stabilization by ensuring that children attend and adequately participate in schools providing elementary and secondary education, strengthening the family unit through counseling and other services, and increasing the family unit's health through nutrition, parenting skills, health assessment, drug abuse programs, and other services;*

*(2) provide opportunities for families and individuals that lead to greater self-sufficiency through improved housing, health, environment, education, employment, and independent living;*

*(3) establish the community as a safer environment by finding the means to reduce crime and the fear of crime in the community and other parts of the city; and*

*(4) establish means to stabilize the neighborhood or community by building the capacity of the community's neighborhood-based organizations and institutions to build cohesiveness through planning and organizing residents, to provide or ensure the provision of necessary services, and to meet the other program objectives.*

*Subd. 3. [COMMUNITY RESOURCES PROGRAM; CONTENTS.] (a) The community resources program must include the following information:*

*(1) the means to identify families and individuals who need community resources services so that the program objectives identified in subdivision 2 can be met;*

*(2) the specific activities, programs, or means by which the city intends to pursue and implement the objectives in subdivision 2;*

*(3) a statement of the intended outcomes to be achieved by implementing the community resources program;*

*(4) the method to measure the outcomes to be achieved by implementing the community resources program, how the outcomes will be measured both qualitatively and quantitatively, and the estimated time over which*

they will occur;

(5) identification of the targeted neighborhoods, assisted housing, and other parts of the city that will receive community resources services;

(6) a detailed statement of how the community resources services will be coordinated with similar services being offered by the city, county, school district, state, and other providers;

(7) a description of the process used and the staff services provided to ensure the required community or neighborhood participation in the preparation of the program; and

(8) a budget that identifies the financial resources necessary to implement the community resources program. The budget must include the following items: (i) the estimated total cost to implement the community resources program; (ii) the estimated cost to implement each activity in the community resources program identified in clause (2); and (iii) the estimated amount of financial resources that will be available from all sources other than from the appropriation available under section 8 to implement the community resources program, including the amount of private funding to be made available to assist in funding the community resources program.

(b) The information required to be in the program under this subdivision must be specific to a targeted neighborhood to the greatest extent possible. If information is not specific to a targeted neighborhood that is to receive assistance under the program, the program must include a statement explaining the reason.

*Subd. 4. [COMMUNITY PARTICIPATION.] Each city must adopt a process to involve the residents in targeted neighborhoods and assisted housing in planning, developing, and implementing the program. As part of this process, the city must ensure that this community-based process has sufficient resources to assist in the development of the program. A description of the process must be included in the community resources program.*

*Subd. 5. [COMMUNITY RESOURCES PROGRAM ADVISORY BOARD.] Each city must establish a community resources program advisory board to assist the city in developing and implementing the community resources program. The advisory board must consist of at least two representatives of the city council appointed by the city council, one or more representatives of the county board appointed by the county board, one or more representatives of the school board appointed by the school board, and representatives of the targeted neighborhoods. The representatives of the targeted neighborhoods must reflect the geographic, cultural, racial, and ethnic diversity of the targeted neighborhoods. The city may determine the size of the advisory board and may designate an existing entity as the advisory board if the entity meets the membership requirements outlined in this subdivision.*

*Subd. 6. [DEVELOPMENT OF COMMUNITY RESOURCES PROGRAM.] (a) The advisory board must work closely with city staff in developing and drafting the community resources program. The advisory board must be involved in assessing needs, prioritizing funds, and developing criteria for evaluating program proposals. In developing the program, the advisory board must give priority to the recommendations made by the targeted neighborhood strategic planning groups.*

*(b) The advisory board must conduct a public hearing and secure input from residents of targeted neighborhoods, governmental units affected by the program, and other organizations and persons.*

*(c) The advisory board may make any changes to the program resulting from testimony given at the public hearing. The advisory board must formally recommend to the city council a proposed community resources program.*

*Subd. 7. [REVIEW BY AFFECTED GOVERNMENTAL UNITS.] The city must develop a process to consult with affected governmental units including the state, county, and school districts. These affected governmental units may provide technical and informational assistance to the city and advisory board to ensure that the community resources services that are included in the program are coordinated with services provided by other governmental units and do not unnecessarily duplicate any existing services. The process must also include a comment period for the county board, school board, and commissioner to review a draft program and to provide comments to the city. If the county board, school board, or commissioner have comments, they must respond to the city in writing within 30 days. The city must respond to comments received from the county board and school board in writing before the city adopts the program.*

*Subd. 8. [CITY APPROVAL.] The city council must hold a public hearing before submitting the program to the commissioner for approval. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing. In addition, to the maximum extent possible, notice shall be published in the most widely circulated community newspaper in the targeted neighborhoods.*

*Subd. 9. [REVIEW AND APPROVAL BY COMMISSIONER.] (a) Before the city adopts a community resources program, the commissioner must approve the program.*

*(b) The commissioner must establish an advisory panel to assist the commissioner in reviewing the programs. The panel must consist of the commissioner; the commissioners of human services, jobs and training, Minnesota housing finance agency, and public safety; one representative of each of the cities that have submitted a program appointed by the appropriate city council; and two members of the public appointed by the commissioner.*

*(c) The advisory panel must review each city's community resources program to determine if the process, including any information required to be in the program objectives, meets the requirements of subdivisions 4 to 8. The panel will also review the program to ensure that there is not unnecessary duplication of services already provided in the targeted neighborhood.*

*(d) The commissioner must notify the city in writing within 30 days after receiving the program of a preliminary decision on the approval of the program and any recommendations of the commissioner for modification of the program. The commissioner must specify in writing the reasons for each recommendation for modification of the program. If the commissioner has no recommendations for the program's modification, the commissioner must approve the program. The commissioner may not disapprove any part of the program unless the commissioner determines that (1) the process,*

including any information required to be in the program, by which that part of the program was developed, does not meet the requirements of subdivisions 4 to 8, (2) the program is inconsistent with program objectives, or (3) the program results in unnecessary duplication of services already provided in the targeted neighborhood. If modifications to the program are recommended by the commissioner, the city must modify the program and resubmit it to the commissioner within 30 days for approval.

(e) If the city does not accept all of the commissioner's recommendations, the city must notify the commissioner in writing within 15 days after receiving the commissioner's recommendations. The city must specify in writing the reasons for not accepting the commissioner's recommendations.

(f) The commissioner must notify the city, within ten days after receiving the city's decision, of the commissioner's approval or disapproval of specific programs, projects, or elements of the program. State funding may only be released to the city for those programs, projects, or elements given final approval by the commissioner.

**Subd. 10. [PROGRAM CERTIFICATION.]** The city council may only adopt those programs, projects, or elements of the community resources program that the commissioner has approved. A certification by the city that a community resources program has been approved by the city council must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the county board and school board.

**Subd. 11. [COMMUNITY RESOURCES PROGRAM MODIFICATION.]** The community resources program may be modified at any time by the city council after review by the community resources advisory board and a public hearing. Notice of the public hearing must be published in a newspaper of general circulation in the city not less than ten days nor more than 30 days before the date of the hearing. In addition, to the maximum extent possible, notice shall be published in the most widely circulated community newspaper in the targeted neighborhoods. If the city council or advisory board determines that the proposed modification is a significant modification to the program originally certified under subdivision 10, it must implement the community resources program approval and certification process of subdivisions 5 to 10 for the proposed modification.

**Sec. 4. [466A.04] [CITY POWERS.]**

**Subdivision 1. [GENERAL POWERS.]** A city may exercise any of its corporate powers in implementing the community resources program.

**Subd. 2. [COMMUNITY INITIATIVES PROGRAM.]** A city may establish a community initiatives program as part of the community resources program. A community initiatives program, in addition to the authority granted by other law, authorizes a city to set aside funds and to develop a process to request proposals for the purpose of making grants, loans, and other forms of assistance to, or entering into service contracts with, nonprofit organizations, including neighborhood organizations, representing community residents. The organizations may also represent residents from a contiguous neighborhood. State money used for the community initiatives program must be used for implementing activities included in the community resources program. The contracts entered into by the city with a nonprofit organization under this subdivision must contain terms concerning use of money and other conditions the city deems proper to



*implement a community initiatives program.*

*Subd. 3. [GRANTS AND LOANS.] In addition to the authority granted by other law, a city may make grants, loans, and other forms of assistance to, and enter into service contracts with, individuals, for profit and non-profit corporations, and other organizations to implement a community resources program. The contracts entered into by the city under this subdivision must contain terms concerning use of money, repayment, and other conditions the city deems proper to implement a community resources program.*

*Subd. 4. [ELIGIBLE USES FOR COMMUNITY RESOURCE MONEY.] The city may spend community resource money for any purpose authorized by subdivisions 1 to 3 except that an amount equal to at least 90 percent of the state payment according to section 5 made available to the city must be spent in or for residents in targeted neighborhoods or assisted housing. Use of community resource money must be authorized in a community resources program. If a resident of a targeted neighborhood or assisted housing is a recipient of community resources services and moves to a residence in another part of the city, eligibility continues for the community resources services.*

**Sec. 5. [466A.05] [PAYMENT; DRAWDOWN; USES OF STATE MONEY.]**

*Subdivision 1. [PAYMENT OF STATE MONEY.] Upon receiving from a city the certification that a community resources program has been adopted or modified, the commissioner shall, within 30 days after receiving the certification, pay to the city the amount of state money identified as necessary to implement the community resources program or program modification. State money may be paid to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded. Once the state money has been paid to the city, it becomes community resource money for use by the city according to an adopted community resources program and subject to the restrictions on its use in sections 1 to 7.*

*Subd. 2. [ALLOCATION.] A city may receive a part of the appropriations made available that is the proportion that the population of the city bears to the combined population of the cities. A city may agree to reduce its entitlement amount and to make it available to another city. The population of each city for the purposes of this subdivision is determined according to the most recent estimates available to the commissioner. Interest earned by a city from money paid to the city must be repaid to the commissioner annually unless the community resources program identifies the interest as necessary to implement the community resources program.*

*Subd. 3. [RESTRICTION ON USE OF STATE MONEY.] A city must keep the state money in a segregated fund for accounting purposes.*

**Sec. 6. [466A.06] [ANNUAL AUDIT AND REPORT.]**

*Subdivision 1. [ANNUAL FINANCIAL AUDIT.] In 1989 and subsequent years, at the end of each calendar year, the legislative auditor shall conduct a financial audit to review the spending of state money under sections 1 to 7. Before spending state money to implement a community resources program, the city must consult with the legislative auditor to determine appropriate accounting methods and principles to assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission and*

*the commissioner.*

*Subd. 2. [ANNUAL REPORT.] A city that begins to implement a community resources program in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed report to the commissioner and legislature on the community resources program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 3, subdivision 3, paragraph (a), clause (3), are being achieved.*

**Sec. 7. [466A.07] [WAIVER OF STATE RULES AND REGULATIONS.]**

*Subdivision 1. [CITY REQUEST.] As part of the community resources program, the city may identify and request a waiver from rules and regulations adopted by state agencies that could impede implementation of the program. In requesting a waiver the city must specify its reasons for the waiver and define the benefits to be obtained for the waiver.*

*Subd. 2. [COMMISSIONER'S DUTIES.] The commissioner shall, in consultation with the city, establish a process to review the waiver request. The process shall at a minimum include consultation with the commissioner of the agency promulgating the rule, consideration of the impact of the waiver on the delivery of the community resources service or activity, the time frame to rule on the waiver, the method to evaluate the budget of the waiver, and the effective date and termination date of the waiver. The commissioner shall determine if the waiver will be approved.*

**Sec. 8. [APPROPRIATION; DISTRIBUTION.]**

*\$ . . . . . is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of state planning for payment to the cities as provided in section 5. \$ . . . . . is for fiscal year 1990 and \$ . . . . . is for fiscal year 1991.*

**Sec. 9. [EFFECTIVE DATE.]**

*Sections 1 to 7 are 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. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 922: A bill for an act relating to education; permitting one levy referendum each year by a school board; requiring special school district canvassing boards in certain elections; amending Minnesota Statutes 1988, sections 124A.03, subdivision 2; and 205A.10, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 204C.

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

Pages 3 to 5, delete sections 2 to 4

Page 5, line 21, delete "Sections 1 to 4 are" and insert "Section 1 is"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to education; permitting one levy referendum each year by a school board; amending Minnesota Statutes 1988, section 124A.03, subdivision 2."

And when so amended the bill be re-referred to the Committee on Education without recommendation. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 556: A bill for an act relating to elections; providing for handicap access to precinct caucuses and party conventions; providing for sign interpreters at precinct caucuses and party conventions; amending Minnesota Statutes 1988, sections 202A.13; and 202A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 202A.

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

Page 1, lines 23 and 26, delete "individual" and insert "delegate or alternate"

Page 1, line 27, after "given" insert "by certified mail"

Page 2, after line 7, insert:

*"A visually impaired delegate or alternate to a county, legislative district, or congressional district convention may notify the executive committee of the major political party unit that the delegate or alternate requires convention materials in audio tape, Braille, or large print format. Upon receiving the request, the executive committee shall provide all official written convention materials as soon as they are available, so that the visually impaired individual may have them converted to audio tape, Braille, or large print format, prior to the convention."*

Page 3, line 13, delete "SIGN" and after "SERVICES" insert "; CAUCUS MATERIALS"

Page 3, line 17, after "given" insert "by certified mail"

Page 3, after line 24, insert:

*"A visually impaired individual may notify the county or legislative district committee of the major political party whose precinct caucus the individual plans to attend, that the individual requires caucus materials in audio tape, Braille, or large type format. Upon receiving the request, the county or legislative district committee shall provide all official written caucus materials as soon as they are available, so that the visually impaired individual may have them converted to audio tape, Braille, or large print format prior to the precinct caucus."*

Sec. 4. [202A.156] [INTERPRETER SERVICES AND ACCESSIBLE PRECINCT CAUCUS EXEMPTIONS.]

*A major political party is not required to:*

*(1) provide an interpreter for a convention or precinct caucus if it has made documented good faith efforts to locate and assign an interpreter, including contacting an interpreter referral center or regional service center for the hearing impaired, and no interpreters are available; or*

*(2) hold a precinct caucus at a place that meets the accessibility standards for precinct polling places specified in section 204B.16, subdivision 5, if it has made documented good faith efforts to locate and secure an available accessible site within a reasonable distance of the precinct, and no accessible site is available.*

Sec. 5. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the secretary of state to reimburse major political parties for the costs of providing interpreter services to communicatively impaired persons."*

Amend the title as follows:

Page 1, line 4, delete "sign"

Page 1, line 5, after the semicolon, insert "making convention and caucus materials available to the visually impaired; appropriating money;"

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. 1051: A resolution memorializing the Congress of the United States to reject pending legislation that would authorize the use of Minnesota waters for the transportation of coal and would grant the right of eminent domain of coal slurry pipelines.

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

Page 2, line 6, after "the" insert "President of the United States,"

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

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

S.F. No. 911: A bill for an act relating to counties; making explicit that the laws and rules that pertain to deputy registrars of motor vehicles also apply to county license bureaus; amending Minnesota Statutes 1988, section 373.35, subdivision 1.

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. 1018: A bill for an act relating to traffic regulations; dedicating seat belt violation fines to emergency medical services relief account; amending Minnesota Statutes 1988, section 169.686, subdivision 3.

Reports the same back with the recommendation that 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. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 786: A bill for an act relating to sheriffs; allowing county boards to set sheriffs' fees; amending Minnesota Statutes 1988, section 357.09.

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. 764: A bill for an act relating to local government; changing conditions for the establishment and operation of special service districts in Sartell, Sauk Rapids, St. Cloud, Isle, Mora, Becker, and Waite Park; amending Laws 1985, chapter 301, sections 5, subdivision 5; 7, subdivision 1; 9; 12; and 13, subdivision 2; repealing Laws 1985, chapter 301, section 7, subdivision 4.

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

Page 3, line 14, before "No" insert "*Subdivision 1. [CERTAIN CITIES.] This subdivision applies in the cities of Sartell, Sauk Rapids, Isle, Mora, Becker, and Waite Park.*"

Page 3, line 16, reinstate the stricken "and" and delete the comma

Page 3, line 17, delete ", or"

Page 3, lines 18 to 23, delete the new language and reinstate the stricken language

Page 3, line 24, reinstate the stricken "more of the" and after the stricken "value" insert "*net tax capacity*" and reinstate the stricken "subject to a proposed tax" and delete "*the class*"

Page 3, lines 25 to 31, delete the new language and reinstate the stricken language

Page 4, after line 4, insert:

*"Subd. 2. [ST. CLOUD.] This subdivision applies in the city of St. Cloud. No action may be taken pursuant to section 6 unless owners of 15 percent or more of the land area of the proposed special service district, owners of 15 percent or more of the net tax capacity of the proposed district, or either 15 percent of the individuals resident or business organizations located in the proposed area file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 7 to impose an ad valorem tax unless the class of persons who petitioned for establishment of the district file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 7 to impose a service charge unless the class of persons who petitioned for establishment of the district 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 net tax capacity subject to a tax 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 tax or service*

*charge may become effective."*

Page 4, line 7, after "VETO" insert "; CERTAIN CITIES" and before "If" insert "*This subdivision applies in the cities of Sartell, Sauk Rapids, Isle, Mora, Becker, and Waite Park.*" and reinstate the stricken "35" and delete "50"

Page 4, line 8, reinstate the stricken language and delete the new language

Page 4, lines 13, 14, and 18, reinstate the stricken "35" and delete "50"

Page 4, after line 23, insert:

"Sec. 6. Laws 1985, chapter 301, section 13, is amended by adding a subdivision to read:

*Subd. 3. [REQUIREMENT FOR VETO; ST. CLOUD.] This subdivision applies in the city of St. Cloud. If owners of 50 percent of the land area in the district or owners of 50 percent of the net tax capacity in the district file an objection to the ordinance adopted by the city pursuant to section 6 with the city clerk before the effective date of the ordinance, the ordinance shall not become effective. If owners of 50 percent of the land area subject to a tax or owners of 50 percent of the net tax capacity subject to a tax file an objection to the resolution adopted levying an ad valorem tax pursuant to section 7 with the city clerk before the effective date of the resolution, the resolution shall not become effective. If 50 percent of individuals and business organizations subject to a service charge file an objection to the resolution adopted imposing a service charge pursuant to section 7 with the city clerk before the effective date of the resolution, the resolution shall not become effective."*

Page 4, line 29, delete "cities" and insert "city of"

Page 4, delete line 30 and insert "St. Cloud"

Page 4, line 31, delete "Waite Park"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "Sartell, Sauk Rapids," and delete ", Isle,"

Page 1, line 5, delete "Mora, Becker, and Waite Park"

Page 1, line 7, after "2" insert ", and by adding a subdivision"

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. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 342: A bill for an act relating to health; requiring the commissioner of health to conduct radon research and engage in educational activities; requiring amendments to the state plumbing code and building code to minimize exposure to radon; requiring a study; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Page 1, line 11, delete "326.83 to 326.89" and insert "1 to 8"

Page 1, lines 14 and 15, delete "326.83 to 326.89" and insert "1 to 8"

Page 3, after line 32, insert:

"Sec. 8. [326.90] [REGISTRATION.]

*Subdivision 1. [REGISTRATION REQUIRED.] No person may conduct radon testing or radon mitigation work in Minnesota after October 1, 1989, unless the person is registered with the department of administration. Registration is not required for:*

*(1) a person who performs radon testing or radon work involving property owned by the person; or*

*(2) a person performing preventive or safeguarding measures during new construction or remodeling.*

*Subd. 2. [PENALTY.] An unregistered person who conducts radon testing or radon mitigation work may be fined up to \$5,000 per violation and may be enjoined from conducting radon testing or radon mitigation work in an action brought by the attorney general.*

*Subd. 3. [REVOCAION OF REGISTRATION.] The commissioner of administration may revoke the registration of a radon tester or radon mitigator for violation of state law involving fraud, false statement, or false, misleading, or deceptive business practices. The commissioner of administration must notify the registrant of the proposed revocation of a registration. The registration shall be revoked unless the registrant requests a hearing in writing within 20 days of the receipt of the notice.*

*Subd. 4. [CONDUCTING RADON TESTING OR MITIGATION.] A person shall be deemed to be conducting radon testing or radon mitigation work if the person, by oral or written representation, claims to be able to determine the presence of or the level of radon in a building or claims that repairs or changes made to a building will, or are likely to, lower radon levels in a building.*

*Subd. 5. [REQUEST FOR INFORMATION.] Whenever the commissioner of administration has reason to believe a violation of this section may be occurring, the commissioner may require a person to produce copies of any books, records, papers, memoranda, or other documents related to radon testing or radon mitigation work. Information requested under this subdivision must be provided to the commissioner of administration within 20 days after receipt of the request. If a person does not provide the information, the department may seek a court order requiring the person to provide the requested information. Any person who fails to comply with a court order may be fined up to \$1,000 per day of violation."*

Page 5, line 12, delete "8" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon, insert "requiring persons performing radon testing to be registered by the commissioner of administration;"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1071: A bill for an act relating to trade practices; providing for payment to farm implement retailer by the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1988, section 325E.06, subdivisions 1, 4, and 5.

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. 829: A bill for an act relating to insurance; prohibiting insurers from maintaining subrogation actions against insureds; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Page 1, delete lines 9 to 14 and insert:

*“(a) An insurance company or a company providing reinsurance for the coverage may not proceed against its insured in a subrogation action where the loss was caused by the nonintentional acts of the insured.*

*“(b) An insurance company or a company providing reinsurance for the coverage may not subrogate itself to the rights of its insured to proceed against another person insured by the same company to recover a loss caused by the nonintentional acts of that insured.”*

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. 986: A bill for an act relating to weights and measures; simplifying definition of a firewood “cord”; requiring sale of firewood by volume; specifying firewood advertising and delivery ticket terminology; requiring a written firewood sales invoice; removing exemption from delivery ticket requirement; amending Minnesota Statutes 1988, sections 239.33; and 325E.01.

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

Page 1, line 24, delete “four” and insert “eight”

Page 2, line 34, strike the second “or”

Page 2, line 35, after “feet” insert “, or cords”

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. 471: A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; changing the kinds of personnel licensed by the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plan;



amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 125.

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 1988, section 125.03, subdivision 1, is amended to read:

Subdivision 1. The term “teachers” for the purpose of licensure, means ~~and includes any and all~~ persons employed in a public school as members of the instructional ~~and~~, supervisory, *and support* staff ~~such as including~~ superintendents, principals, supervisors, ~~classroom~~ *secondary vocational and other* teachers, ~~and~~ librarians, *counselors, athletic coaches, school psychologists, school nurses, school social workers, audio-visual directors and coordinators, recreation personnel, media generalists, media supervisors, and speech therapists.*

Sec. 2. Minnesota Statutes 1988, section 125.03, subdivision 4, is amended to read:

Subd. 4. “Supervisory ~~and support~~ personnel” for the purpose of licensure means: superintendents; principals; *and professional employees who devote 50 percent or more of their time to administrative or supervisory duties over other personnel; counselors; school nurses; athletic coaches; and other professional employees who engage primarily in nonclassroom activities.* ~~The term does not include: librarians; school psychologists; school social workers; audio-visual directors and coordinators; recreation personnel; media generalists; media supervisors; or speech therapists.~~

Sec. 3. Minnesota Statutes 1988, section 125.03, subdivision 5, is amended to read:

Subd. 5. [TEACHERS; EXAMS.] “Teachers” for the purpose of examination means persons applying for initial teaching licenses to provide direct instruction to pupils in prekindergarten, elementary, secondary, and special education programs. *At the discretion of the board of teaching, it may also mean a person applying to the board for an initial license in one of the support personnel fields.* It does not mean persons applying for licenses as supervisory ~~or support~~ personnel ~~nor does it mean librarians; school social workers; school psychologists; audio-visual directors or coordinators; or media generalists or supervisors.~~

Sec. 4. Minnesota Statutes 1988, section 125.05, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] The authority to license teachers as defined in section 125.03, subdivision 1, is vested in the board of teaching ~~except that~~. The authority to license supervisory ~~and support~~ personnel as defined in section 125.03, subdivision 4, is vested in the state board of education. *The authority to license post-secondary vocational and adult vocational teachers, support personnel, and supervisory personnel in technical institutes is vested in the state board of vocational technical education according to section 136C.04, subdivision 9.* Licenses shall be issued to such persons as the board of teaching or the state board of education finds to be competent for their respective positions. For teachers, as defined in section 125.03, subdivision 5, competency includes

successful completion of an examination of skills in reading, writing, and mathematics for persons applying for initial licenses. Qualifications of teachers and other professional employees except supervisory ~~and support~~ personnel shall be determined by the board of teaching under the rules it promulgates. Licenses under the jurisdiction of the board of teaching shall be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education shall be issued through the licensing section of the department of education.

Sec. 5. Minnesota Statutes 1988, section 125.05, subdivision 2, is amended to read:

Subd. 2. [EXPIRATION AND RENEWAL.] Each license issued through the licensing section of the department of education shall bear the date of issue. Licenses shall expire and be renewed in accordance with the respective rules promulgated by the board of teaching or the state board of education. ~~Renewal~~ Requirements for the renewal of a license shall include the production of satisfactory evidence of successful teaching experience for at least one school year during the period covered by the license in grades or subjects for which the license is valid or the completion of such additional preparation as the board of teaching shall prescribe. Requirements for the renewal of the licenses of supervisory ~~and support~~ personnel shall be established by the state board of education.

Sec. 6. Minnesota Statutes 1988, section 125.05, is amended by adding a subdivision to read:

*Subd. 7. [LIMIT ON FIELDS OF LICENSURE.] Unless the action of the board of teaching is approved by specific legislative act, the board may not, after July 1, 1989:*

- (1) develop additional fields of licensure;*
- (2) divide existing fields of licensure; or*
- (3) extend any licensure requirements to any duties that could be performed on March 15, 1989, without a license.*

*The board may establish fields for provisional licensure, but shall submit each field to the legislature for approval. If approval by specific legislative act is not obtained within one year after the provisional license is established, the board shall discontinue the field of provisional licensure.*

Sec. 7. Minnesota Statutes 1988, section 125.08, is amended to read:

125.08 [TEACHERS' AND ADMINISTRATORS' LICENSES, FEES.]

Each application for the issuance, renewal, or extension of a license to teach shall be accompanied by a processing fee in an amount set by the board of teaching by rule. Each application for the issuance, renewal or extension of a license as supervisory ~~or support~~ personnel shall be accompanied by a processing fee in an amount set by the state board of education by rule. The processing fee for a teacher's license shall be paid to the executive secretary of the board of teaching. The processing fee for the licenses of supervisory ~~and support~~ personnel shall be paid to the commissioner. The executive secretary of the board of teaching and the commissioner shall deposit the fees with the state treasurer, as provided by law, and report each month to the commissioner of finance the amount of fees collected. The fees as set by the boards shall be nonrefundable for applicants not qualifying for a license, ~~provided~~. However, ~~that~~ a fee shall be refunded

by the state treasurer in any case in which the applicant already holds a valid unexpired license. The boards may waive or reduce fees for applicants who apply at the same time for more than one license, even if the licenses are under the jurisdiction of different boards.

Sec. 8. Minnesota Statutes 1988, section 125.183, subdivision 1, is amended to read:

Subdivision 1. A board of teaching consisting of ~~15~~ 17 members appointed by the governor is hereby established. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. No member shall be reappointed for more than one additional term.

Sec. 9. Minnesota Statutes 1988, section 125.183, subdivision 3, is amended to read:

Subd. 3. Except for the representatives of higher education and the public, to be eligible for appointment to the board of teaching, a person must be fully licensed for the position held and have at least five years teaching experience in Minnesota, including the two years immediately preceding nomination and appointment. *Each nominee, other than a public nominee, shall be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure.* The board shall be composed of:

(1) one special education teacher ~~whose responsibilities;~~

(2) two teachers who are ~~those either~~ licensed as any of a the following: school counselor, school nurse, school social worker, audio-visual director or coordinator, recreation personnel, media generalist or supervisor, librarian, school psychologist, remedial or developmental reading teacher, speech therapist correction, or secondary vocational teacher;

(3) three elementary school classroom teachers;

(4) three secondary classroom teachers; ~~one;~~

(5) two higher education ~~representative~~ representatives, ~~from one of whom must be a higher education faculty preparing member, directly involved in the preparation of teachers;~~

(6) one school administrator; and ~~six~~

(7) five members of the public, two of whom shall be present or former members of local school boards. ~~Each nominee other than a public nominee shall be selected on the basis of professional experience, and knowledge of teacher education; accreditation and licensure.~~

Sec. 10. [TIME OF EFFECT.]

*The changes in the composition of the board of teaching required by section 9 must be made as soon as possible after the effective date of section 9 as vacancies occur or terms of members expire."*

Amend the title as follows:

Page 1, line 7, delete "providing for teacher"

Page 1, line 8, delete "performance effectiveness plan" and insert "placing certain limitations on teaching licenses"

Page 1, line 9, delete "and 4" and insert ", 4, and 5"

Page 1, line 10, delete "and 2" and insert ", 2, and by adding a subdivision"

Page 1, line 11, delete everything after "3" and insert a period

Page 1, delete line 12

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

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

S.F. No. 694: A bill for an act relating to judgments; providing a reasonable exemption for employee benefits; amending Minnesota Statutes 1988, section 550.37, subdivision 24.

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

Page 1, lines 14 and 15, delete the new language and insert ":

*(1) to the extent the plan or contract is an employee pension benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 to 1461, as amended, and the plan or contract is qualified under section 401(a), 403, 408, or 457 of the Internal Revenue Code of 1986, as amended; or*

*(2) to the extent of the debtor's aggregate interest under all plans and contracts not to exceed a value of \$30,000 at age 65 using a discount rate of eight percent per annum"*

Page 1, after line 15, insert:

"Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment and applies to proceedings pending on or commencing on or after the effective 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. 321: A bill for an act relating to public nuisances; expanding the nuisance law to include prior convictions for certain drug and liquor offenses; amending Minnesota Statutes 1988, section 617.81, 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 1988, section 617.81, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING A NUISANCE.] For purposes of sections 617.80 to 617.87 a public nuisance exists upon proof of ~~any of the following~~:

(+) three or more misdemeanor convictions or two or more convictions, of which at least one is a gross misdemeanor or felony, within the previous two years for:

(1) acts of prostitution or prostitution-related offenses committed within the building;

(2) ~~three or more misdemeanor convictions or two or more convictions, of which at least one is a gross misdemeanor or felony, within the previous two years for acts of gambling or gambling-related offenses committed within the building; or~~

(3) ~~two or more convictions within the previous two years for keeping or permitting a disorderly house within the building;~~

(4) *unlawful sales of controlled substances committed within the building; or*

(5) *unlawful sales of intoxicating liquor or nonintoxicating malt liquor committed within the building.*"

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. 624: A bill for an act relating to civil actions; removing certain limitations on parental liability for thefts by minors; amending Minnesota Statutes 1988, section 332.51, subdivision 3.

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. 869: A bill for an act relating to courts; increasing certain fees collected by the court administrator; amending Minnesota Statutes 1988, sections 171.06, subdivisions 2 and 4; 357.021, subdivision 2; and 525.22.

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

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

S.F. No. 682: A bill for an act relating to crime; including controlled substance offenses in the evidentiary provision of the disorderly house crime; amending Minnesota Statutes 1988, section 609.33, subdivision 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. 535: A bill for an act relating to real property; abolishing certain residual marital interests in real property; providing for 40-year limitation on action based on an option to repurchase or other restrictions on a surface estate; providing for certain certifications; amending Minnesota Statutes 1988, sections 541.023, subdivision 6; and 548.181; proposing coding for new law in Minnesota Statutes, chapter 519.

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

Page 1, delete lines 13 to 23 and insert:

*“Subdivision 1. [INTEREST ABOLISHED.] The marital property interest in real property, as defined in section 518.54, subdivision 5, that was owned by a person’s former spouse is abolished effective July 1, 1990, as against the interest of a third person that is of record before January 1, 1989.*

*Subd. 2. [EXCEPTIONS.] Subdivision 1 does not apply if:*

*(1) the marital property interest is determined under a decree of dissolution, legal separation, or annulment; or*

*(2) an action claiming the marital property interest is begun before July 1, 1990, and a notice is filed for record within that period in the office of the county recorder or registrar of titles in the county where the property is located.”*

Pages 1 to 3, delete section 2 and insert:

“Sec. 2. Minnesota Statutes 1988, section 541.023, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] (a) This section shall apply to every right, claim, interest, incumbrance or lien founded by any instrument, event or transaction 40 years old at the date hereof, or which will be 40 years old prior to January 1, 1948, except those under which the claimant thereunder shall file a notice as herein provided prior to January 1, 1948.

(b) This section applies to repurchase options or other rights of repurchase that encumber an interest in land based upon an instrument other than a deed of conveyance granted by a governmental body, agency, or subdivision, unless within 40 years of the recording or filing of the instrument a notice is recorded or filed under subdivision 1. This paragraph does not revive repurchase options or rights of repurchase barred by subdivision 1.”

Page 3, line 5, after the second comma, insert “subdivision 1,”

Page 3, delete lines 7 and 8

Page 3, delete lines 16 to 30 and insert:

“Sec. 4. Minnesota Statutes 1988, section 548.181, subdivision 3, is amended to read:”

Page 4, delete lines 3 to 16 and insert:

“Sec. 5. Minnesota Statutes 1988, section 548.181, is amended by adding a subdivision to read:

*Subd. 3a. [CERTIFICATION OF DISCHARGE.] Upon receipt of a filing fee of \$5, the court administrator shall certify to the judgment debtor or other interested party the judgments against a person that have been discharged by the administrator.*

Sec. 6. Minnesota Statutes 1988, section 582.27, is amended to read:

582.27 [EFFECTIVE DATES.]

Subdivision 1. The following schedule specifies the dates to be applied to the provisions of section 582.25:

(A) As to the general provision of section 582.25, May 1, ~~1984~~ 1988;

(B) As to clause (1), ~~May 10, 1985~~ the day following final enactment

of this act;

(C) As to clause (2), January 1, ~~1974~~ 1978;

(D) As to clause (5), ~~May 10, 1985~~ the day following final enactment of this act;

(E) As to clause (8), ~~May 10, 1985~~ the day following final enactment of this act;

(F) As to clause (10) (a), ~~May 10, 1985~~ the day following final enactment of this act.

Subd. 2. The date of the report of sale to which section 582.26 applies is ~~May 10, 1985~~ the day following final enactment of this act.

Subd. 3. The provisions of sections 582.25 to 582.27 shall not affect any action or proceeding pending on August 1, ~~1985~~ 1989, or which shall be commenced before February 1, ~~1986~~ 1990, in any of the courts of the state, involving the validity of such foreclosure.

Sec. 7. [EFFECTIVE DATE; APPLICATION.]

*Section 2 is effective January 1, 1990, and applies to actions commenced on or after that date.*

*Section 6 is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 3, delete "providing for" and insert "clarifying that the"

Page 1, line 4, before "action" insert "actions affecting title to real estate applies to an"

Page 1, line 6, after the semicolon, insert "changing effective dates for provisions relating to validation of foreclosure sales;"

Page 1, line 8, delete "6" and insert "2" and delete "and" and after "548.181" insert ", subdivisions 1, 3, and by adding a subdivision; and 582.27"

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. 851: A bill for an act relating to driving while intoxicated; making it a crime for certain repeat offenders to refuse to submit to chemical testing under the implied consent law; imposing penalties; amending Minnesota Statutes 1988, sections 169.121, subdivisions 1, 1a, 3, and 3b; and 169.123, subdivision 2.

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

Page 2, line 10, delete everything after "revoked"

Page 2, line 11, delete "section 169.123"

Page 2, line 12, before the period, insert ", under any of the following: this section, or section 169.123, 609.21, subdivision 1, clause (2) or (3), 609.21, subdivision 2, clause (2) or (3), or 609.21, subdivision 3, clause (2) or (3)"

Pages 2 and 3, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1988, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) A person who violates this section or an ordinance in conformity with it is guilty of a misdemeanor.

~~The following persons are guilty of a gross misdemeanor:~~

~~(a) (b) A person is guilty of a gross misdemeanor who violates this section or an ordinance in conformity with it within five years of a prior impaired driving conviction under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them; and~~

~~(b) A person who violates this section or an ordinance in conformity with it, or within ten years of two or more prior impaired driving convictions under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them. For purposes of this subdivision paragraph, a prior impaired driving conviction is a prior conviction under this section, section 169.129, or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them is a prior conviction that would have been a prior impaired driving conviction if committed by an adult.~~

~~(c) A person who violates subdivision 1a is guilty of a gross misdemeanor.~~

~~(d) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.~~

When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to previous convictions under this section from a court, the court must furnish the information without charge."

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. 735: A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

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

Page 1, line 13, after the stricken "(a)" insert "(b)"

Page 1, line 25, delete everything before "For" and strike "subdivision" and insert "*paragraph*"

Page 2, line 2, delete "169.29" and insert "169.129"



Page 2, line 3, after the second semicolon, insert "*361.12, subdivision 1;*"

Page 2, line 19, strike "previous" and insert "*prior impaired driving*" and strike "under this section"

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. 676: A bill for an act relating to agriculture; changing voting rights in certain cooperative associations; amending Minnesota Statutes 1988, section 308.07, subdivision 4.

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. 1037: A bill for an act relating to animals; regulating using animals for certain purposes; providing a penalty; amending Minnesota Statutes 1988, sections 343.33; and 343.34.

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

Page 1, line 17, delete "*person*" and insert "*for-profit itinerant carnival, street show, street fair, sideshow, circus, or similar enterprise*"

Page 1, delete lines 24 and 25

Page 2, delete lines 1 to 6

Page 2, delete section 2

Amend the title as follows:

Page 1, line 4, delete "sections" and insert "section" and delete "; and 343.34"

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. 1016: A bill for an act relating to Beltrami county; authorizing the Beltrami county board to regulate dogs and cats within the county by ordinance.

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

Page 1, line 6, after the first period, insert "[347.081]" and delete "BELTRAMI COUNTY;"

Page 1, line 7, delete everything after "*Notwithstanding*" and insert "*section 347.09,*"

Page 1, line 8, delete "*Beltrami*" and insert "a"

Page 1, line 18, delete "*An administrative*" and insert "*The procedure must allow for notice to the owner if the owner can be determined. A*"

Page 1, line 22, delete "*Beltrami*"

Page 2, delete section 2

Amend the title as follows:

Page 1, line 2, delete "*Beltrami county*" and insert "*animals*" and delete "*the Beltrami*" and insert "*a*"

Page 1, line 4, delete "*by ordinance*" and insert "*without adopting a system of licensure; proposing coding for new law in Minnesota Statutes, chapter 347*"

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. 637: A bill for an act relating to human services; allowing rate review for nursing homes in involuntary receivership; eliminating the exemption of certain allowable employee pension contributions from care-related cost limits and other operating cost limits; clarifying historical cost of capital assets and issuance costs; providing payment rate adjustments for nursing homes; allowing a one-time adjustment to comply with OBRA; amending Minnesota Statutes 1988, sections 144.50, by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144A.01, by adding subdivisions; 144A.04, subdivision 7, and by adding a subdivision; 144A.073, subdivision 1; 144A.10, by adding subdivisions; 144A.12, subdivision 1; 144A.15, subdivision 1, and by adding subdivisions; 144A.611; 256B.091, subdivision 3; 256B.25, by adding a subdivision; 256B.431, subdivisions 2c, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; and 256B.48, subdivision 6; Laws 1988, chapter 689, article 2, section 269, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; and 256B; repealing Minnesota Statutes 1988, section 144A.10, subdivision 4a.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.0723] [CLIENT REIMBURSEMENT CLASSIFICATIONS; PROCEDURES FOR RECONSIDERATION.]

*Subdivision 1. [CLIENT REIMBURSEMENT CLASSIFICATIONS.] The commissioner of health shall establish reimbursement classifications based upon the assessment of each client in intermediate care facilities for the mentally retarded conducted after December 31, 1988, under section 256B.501, subdivision 3g, or under rules established by the commissioner of human services under section 256B.501, subdivision 3j. The reimbursement classifications established by the commissioner must conform to the rules established by the commissioner of human services to set payment rates for intermediate care facilities for the mentally retarded beginning on or after October 1, 1990.*

*Subd. 2. [NOTICE OF CLIENT REIMBURSEMENT CLASSIFICATION.] The commissioner of health shall notify each client and intermediate care facility for the mentally retarded in which the client resides of the reimbursement classification established under subdivision 1. The notice must inform the client of the classification that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the classification. The notice of classification must be sent by first-class mail. The individual client notices may be sent to the client's intermediate care facility for the mentally retarded for distribution to the client. The facility must distribute the notice to the client's case manager and to the client or to the client's representative. This notice must be distributed within three working days after the facility receives the notices from the department. For the purposes of this section, "representative" includes the client's legal representative as defined in Minnesota Rules, part 9525.0015, subpart 18, the person authorized to pay the client's facility expenses, or any other individual designated by the client.*

*Subd. 3. [REQUEST FOR RECONSIDERATION.] The client, client's representative, or the intermediate care facility for the mentally retarded may request that the commissioner reconsider the assigned classification. The request for reconsideration must be submitted in writing to the commissioner within 30 days after the receipt of the notice of client classification. The request for reconsideration must include the name of the client, the name and address of the facility in which the client resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the client at the time of the assessment resulting in the disputed classification justify a change of classification.*

*Subd. 4. [ACCESS TO INFORMATION.] Upon written request, the intermediate care facility for the mentally retarded must give the client's case manager, the client, or the client's representative a copy of the assessment form and the other documentation that was given to the department to support the assessment findings. The facility shall also provide access to and a copy of other information from the client's record that has been requested by or on behalf of the client to support a client's reconsideration request. A copy of any requested material must be provided within three working days after the facility receives a written request for the information. If the facility fails to provide the material within this time, it is subject to the issuance of a correction order and penalty assessment. Notwithstanding this section, any order issued by the commissioner under this subdivision must require that the facility immediately comply with the request for information and that as of the date the order is issued, the facility shall forfeit to the state a \$100 fine the first day of noncompliance, and an increase in the \$100 fine by \$50 increments for each day the noncompliance continues.*

*Subd. 5. [FACILITY'S REQUEST FOR RECONSIDERATION.] (a) In addition to the information required in subdivision 3, a reconsideration request from an intermediate care facility for the mentally retarded must contain the following information:*

*(1) the date the reimbursement classification notices were received by the facility;*

(2) the date the classification notices were distributed to the client's case manager and to the client or to the client's representative; and

(3) a copy of a notice sent to the client's case manager, and to the client or to the client's representative that tells the client or the client's representative (i) that a reconsideration of the client's reimbursement classification is being requested; (ii) the reason for the request; (iii) that the client's rate may change if the request is approved by the department; (iv) that copies of the facility's request and supporting documentation are available for review; and (v) that the client also has the right to request a reconsideration.

(b) If the facility fails to provide this information with the reconsideration request, the request must be denied, and the facility may not make further reconsideration requests on that specific reimbursement classification.

*Subd. 6. [RECONSIDERATION.] The commissioner's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the commissioner under subdivisions 3 and 5. If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. At the commissioner's discretion, the commissioner may review the reimbursement classifications assigned to all clients in the facility. Within 15 working days after receiving the request for reconsideration, the commissioner shall affirm or modify the original client classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect the status of the client at the time of the assessment. The client and the intermediate care facility for the mentally retarded shall be notified within five working days after the decision is made. The commissioner's decision under this subdivision is the final administrative decision of the agency.*

*Subd. 7. [AUDIT AUTHORITY.] The department of health may audit assessments of clients in intermediate care facilities for the mentally retarded. The audits may be conducted at the facility, and the department may conduct the audits on an unannounced basis.*

*Subd. 8. [RULEMAKING.] The commissioner of health shall adopt rules necessary to implement these provisions.*

Sec. 2. Minnesota Statutes 1988, section 144.50, is amended by adding a subdivision to read:

*Subd. 7. [RESIDENTS WITH AIDS OR HEPATITIS.] Boarding care homes and supervised living facilities licensed by the commissioner of health must accept as a resident a person who is infected with the human immunodeficiency virus or the hepatitis B virus unless the facility cannot meet the needs of the person under Minnesota Rules, part 4665.0200, subpart 5, or part 4655.1500, subpart 2, or the person is otherwise not eligible for admission to the facility under state laws or rules.*

Sec. 3. Minnesota Statutes 1988, section 144.562, subdivision 2, is amended to read:

*Subd. 2. [ELIGIBILITY FOR LICENSE CONDITION.] A hospital is not eligible to receive a license condition for swing beds unless (1) it either has a licensed bed capacity of less than 50 beds defined in the federal medicare regulations, Code of Federal Regulations, title 42, section ~~405.1041~~*

482.66, or it has a licensed bed capacity of 50 beds or more and has swing beds that were approved for medicare reimbursement before May 1, 1985; (2) it is located in a rural area as defined in the federal medicare regulations, Code of Federal Regulations, title 42, section ~~405.1041~~ 482.66; and (3) it agrees to utilize no more than four hospital beds as swing beds at any one time, except that the commissioner may approve the utilization of up to three additional beds at the request of a hospital if no medicare certified skilled nursing facility beds are available within 25 miles of that hospital.

Sec. 4. Minnesota Statutes 1988, section 144.562, subdivision 3, is amended to read:

Subd. 3. [APPROVAL OF LICENSE CONDITION.] The commissioner of health shall approve a license condition for swing beds if the hospital meets all of the criteria of this subdivision:

(a) The hospital must meet the eligibility criteria in subdivision 2.

(b) The hospital must be in compliance with the medicare conditions of participation for swing beds under Code of Federal Regulations, title 42, section ~~405.1041~~ 482.66.

(c) The hospital must agree, in writing, to limit the length of stay of a patient receiving services in a swing bed to not more than 40 days, or the duration of medicare eligibility, unless the commissioner of health approves a greater length of stay in an emergency situation. To determine whether an emergency situation exists, the commissioner shall require the hospital to provide documentation that continued services in the swing bed are required by the patient; that no skilled nursing facility beds are available within 25 miles from the patient's home, or in some more remote facility of the resident's choice, that can provide the appropriate level of services required by the patient; and that other alternative services are not available to meet the needs of the patient. If the commissioner approves a greater length of stay, the hospital shall develop a plan providing for the discharge of the patient upon the availability of a nursing home bed or other services that meet the needs of the patient. Permission to extend a patient's length of stay must be requested by the hospital at least ten days prior to the end of the maximum length of stay.

(d) The hospital must agree, in writing, to limit admission to a swing bed only to (1) patients who have been hospitalized and not yet discharged from the facility, or (2) patients who are transferred directly from an acute care hospital.

(e) The hospital must agree, in writing, to report to the commissioner of health by December 1, 1985, and annually thereafter, in a manner required by the commissioner (1) the number of patients readmitted to a swing bed within 60 days of a patient's discharge from the facility, (2) the hospital's charges for care in a swing bed during the reporting period with a description of the care provided for the rate charged, and (3) the number of beds used by the hospital for transitional care and similar subacute inpatient care.

(f) The hospital must agree, in writing, to report statistical data on the utilization of the swing beds on forms supplied by the commissioner. The data must include the number of swing beds, the number of admissions to and discharges from swing beds, medicare reimbursed patient days, total patient days, and other information required by the commissioner to assess the utilization of swing beds.

Sec. 5. Minnesota Statutes 1988, section 144.651, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. "Patient" also means a minor who is admitted to a residential program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program. "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and ~~board and~~ boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age.

Sec. 6. Minnesota Statutes 1988, section 144A.01, is amended by adding a subdivision to read:

*Subd. 3a. "Certified" means certified for participation as a provider in the Medicare or Medicaid programs under title XVIII or XIX of the Social Security Act.*

Sec. 7. Minnesota Statutes 1988, section 144A.01, is amended by adding a subdivision to read:

*Subd. 4a. "Emergency" means a situation or physical condition that creates or probably will create an immediate and serious threat to a resident's health or safety.*

Sec. 8. Minnesota Statutes 1988, section 144A.04, subdivision 7, is amended 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 *certified* 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~~ *one hour per standardized resident day. This requirement is satisfied if the weekly calendar average of nursing hours per standardized resident day is one hour and the per day nursing hours are the greater of two hours per resident day 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.

*(d) A nursing home that is issued a notice of noncompliance under section 144A.10, subdivision 5, for a violation of this subdivision, shall be assessed a civil fine of \$300 for each day of noncompliance, subject to section 144A.10, subdivisions 7 and 8.*

Sec. 9. Minnesota Statutes 1988, section 144A.04, is amended by adding a subdivision to read:

*Subd. 8. [RESIDENTS WITH AIDS OR HEPATITIS.] A nursing home must accept as a resident a person who is infected with the human immunodeficiency virus or the hepatitis B virus unless the facility cannot provide appropriate care for the person under Minnesota Rules, part 4655.1500, subpart 2, or the person is otherwise not eligible for admission under state laws and rules.*

Sec. 10. Minnesota Statutes 1988, section 144A.04, is amended by adding a subdivision to read:

*Subd. 9. [CARDIOPULMONARY RESUSCITATION TRAINING.] Effective October 1, 1989, a nursing home must have on duty at all times at least one staff member who is trained in single rescuer adult cardiopulmonary resuscitation and who has completed the initial training or a refresher course within the previous two years.*

Sec. 11. Minnesota Statutes 1988, 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 to a building formerly used as a hospital, provided the original nursing home building will no longer be operated as a nursing home and the building to which the beds are moved will no longer be operated as a 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. 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;

(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);

(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 do not apply to facilities that satisfy these requirements:  
 or

(q) 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 Saint 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:  
 or

*(r) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek or receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements.*

Sec. 12. Minnesota Statutes 1988, 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~~ or 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.

Sec. 13. Minnesota Statutes 1988, section 144A.10, subdivision 5, is

amended to read:

Subd. 5. [REINSPECTIONS.] A nursing home issued a correction order under this section ~~shall must~~ be reinspected ~~at the end of the period allowed for correction no later than ten working days after the time period for correction has elapsed. The reinspection may be made in conjunction with the next annual inspection or any other scheduled inspection.~~ If upon reinspection the representative of the commissioner of health determines that the facility has not corrected a violation identified in the correction order, a notice of noncompliance with the correction order shall be mailed by certified mail to the nursing home. The notice shall specify the violations not corrected and the fines assessed in accordance with subdivision 6.

Sec. 14. Minnesota Statutes 1988, section 144A.10, subdivision 6a, is amended to read:

Subd. 6a. [SCHEDULE OF FINES.] (a) The commissioner of health shall propose for adoption the schedule of fines by publishing it in the State Register and allowing a period of 60 days from the publication date for interested persons to submit written comments on the schedule. Within 60 days after the close of the comment period, and after considering any comments received, the commissioner shall adopt the schedule in final form. *By September 1, 1990, the commissioner shall amend the schedule of fines adopted under this subdivision to increase to \$250 the fines for violations of section 144.651, subdivisions 18, 20, 21, 22, 27, and 30, and for repeated violations.*

(b) The schedule of fines is exempt from the definition of "rule" in section 14.02, subdivision 4, and has the force and effect of law upon compliance with section 14.38, subdivision 7. The effective date of the schedule of fines is five days after publication, as provided in section 14.38, subdivision 8. The provisions of any rule establishing a schedule of fines for noncompliance with correction orders issued to nursing homes remain effective with respect to nursing homes until repealed, modified, or superseded by ~~the~~ a schedule established in accordance with this subdivision.

Sec. 15. Minnesota Statutes 1988, section 144A.10, is amended by adding a subdivision to read:

Subd. 6b. [FINES FOR FEDERAL CERTIFICATION DEFICIENCIES.] *If the commissioner determines that a nursing home or certified boarding care home does not meet a requirement of section 1919(b), (c), or (d), of the Social Security Act, or any regulation adopted under that section of the Social Security Act, the nursing home or certified boarding care home may be assessed a civil fine for each day of noncompliance and until a notice of correction is received by the commissioner under subdivision 7. Money collected because of these fines must be applied to the protection of the health or property of residents of nursing facilities the commissioner finds deficient. A fine for a specific deficiency may not exceed \$500 for each day of noncompliance. The commissioner shall adopt rules establishing a schedule of fines.*

Sec. 16. Minnesota Statutes 1988, section 144A.10, is amended by adding a subdivision to read:

Subd. 6c. [OVERLAP OF FINES.] *If a nursing home is subject to fines under both subdivisions 6 and 6b for the same requirement, condition, situation, or practice, the commissioner shall assess either the fine provided by subdivision 6 or the fine provided by subdivision 6b.*

Sec. 17. Minnesota Statutes 1988, section 144A.10, is amended by adding a subdivision to read:

*Subd. 6d. [SCHEDULE OF FINES.] The commissioner shall adopt rules establishing the schedule of fines for deficiencies in the requirements of section 1919(b), (c), and (d), of the Social Security Act, or regulations adopted under that section of the Social Security Act.*

Sec. 18. Minnesota Statutes 1988, section 144A.10, is amended by adding a subdivision to read:

*Subd. 8a. [FINE FOR MISALLOCATION OF NURSING STAFF] Upon issuing a correction order to a nursing home under subdivision 4 for a violation of Minnesota Rules, part 4655.5600, because of nursing staff performing duties such as washing wheelchairs or beds of discharged residents, or other housekeeping or laundry duties not related to the direct nursing care of residents, the commissioner shall impose a civil fine of \$500 per day. A fine under this subdivision accrues in accordance with subdivision 6 and is subject to subdivision 8 for purposes of recovery and hearings.*

Sec. 19. Minnesota Statutes 1988, section 144A.10, is amended by adding a subdivision to read:

*Subd. 8b. [RESIDENT ADVISORY COUNCIL.] Each nursing home or boarding care home shall establish a resident advisory council and a family council, unless fewer than three persons express an interest in participating. If one or both councils do not function, the nursing home or boarding care home shall document its attempts to establish the council or councils at least once each calendar year. This subdivision does not alter the rights of residents and families provided by section 144.651, subdivision 27. A nursing home or boarding care home that is issued a notice of noncompliance with a correction order for violation of this subdivision shall be assessed a civil fine of \$100 for each day of noncompliance.*

Sec. 20. Minnesota Statutes 1988, section 144A.10, is amended by adding a subdivision to read:

*Subd. 11. [AUTHORITY TO IMPLEMENT OMNIBUS BUDGET RECONCILIATION ACT.] The commissioner of health, the commissioner of human services, or both, may adopt rules needed to comply with the nursing home reform provisions of title C of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203. If the Secretary of the United States Department of Health and Human Services determines that provisions of state law conflict with the requirements of federal law, the commissioners may adjust provisions of state law in chapters 144, 144A, and 256B as necessary to conform with the federal law and to avoid or minimize financial sanctions against the state. If state law provisions are adjusted, the commissioners shall notify the chair of the senate health and human services committee and the chair of the house of representatives health and human services committee. An adjustment to state law made under this subdivision is effective 15 days after the proposed adjustment is published in the State Register. The adjustment is repealed effective July 1 following the next final adjournment of a regular session of the legislature that occurs after the effective date of the adjustment. If the Secretary of the United States Department of Health and Human Services designates a specific state agency to be responsible for implementing provisions of the federal law, and the designation conflicts with provisions of state law, the*

*federally designated agency shall assume these responsibilities.*

Sec. 21. [144A.103] [PENALTY FOR DEATH OF A RESIDENT.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, "abuse" and "neglect" have the meanings given in section 626.557, subdivision 2, paragraphs (d) and (e).*

*Subd. 2. [PENALTY.] Whenever the commissioner substantiates that a situation existed that constituted abuse or neglect by a nursing home and that could foreseeably result in death or injury to a resident, and the abuse or neglect contributed to the resident's death, the nursing home must be assessed a civil fine of \$1,000. The assessment of a fine under this section does not preclude the use of any other remedy.*

*Subd. 3. [RECOVERY OF FINES; HEARING.] A nursing home that is assessed a fine under this section must pay the fine no later than 15 days after receipt of the notice of assessment. The assessment shall be stayed if the nursing home makes a written request for a hearing on the assessment within 15 days after receipt of the notice of assessment. After submission of a timely request, a hearing must be conducted as a contested case hearing under chapter 14 no later than 30 days after the request. If a nursing home does not pay the fine as required by this section, the commissioner of health shall notify the commissioner of human services, who shall deduct the amount of the fine from reimbursement payments due or to be due the nursing home under chapter 256B.*

Sec. 22. [144A.105] [SUSPENSION OF ADMISSIONS.]

*Subdivision 1. [CIRCUMSTANCES FOR SUSPENSIONS.] The commissioner of health may suspend admissions to a nursing home or certified boarding care home when:*

*(1) the commissioner has issued a penalty assessment or the nursing home has a repeated violation for noncompliance with section 144A.04, subdivision 7, or the portion of Minnesota Rules, part 4655.5600, subpart 2, that establishes minimum nursing personnel requirements;*

*(2) the commissioner has issued a penalty assessment or the nursing home or certified boarding care home has repeated violations for not maintaining a sufficient number or type of nursing personnel to meet the needs of the residents, as required by Minnesota Rules, parts 4655.5100 to 4655.6200;*

*(3) the commissioner has determined that an emergency exists;*

*(4) the commissioner has initiated proceedings to suspend, revoke, or not renew the license of the nursing home or certified boarding care home; or*

*(5) the commissioner determines that the remedy of denial of payment, as provided by subparagraph 1919(h)(2)(A)(i) of the Social Security Act, is to be imposed under section 1919(h) of the Social Security Act, or regulations adopted under that section of the Social Security Act.*

*Subd. 2. [ORDER.] If the commissioner suspends admissions under subdivision 1, the commissioner shall notify the nursing home or certified boarding care home, by written order, that admissions to the nursing home or certified boarding care home will be suspended beginning at a time specified in the order. The suspension is effective no earlier than 48 hours after the nursing home or certified boarding care home receives the order.*

*unless the order is due to an emergency under subdivision 1, clause (3). The order may be served on the administrator of the nursing home or certified boarding care home, or the designated agent in charge of the home, by personal service or by certified or registered mail with a return receipt of delivery. The order shall specify the reasons for the suspension, the corrective action required to be taken by the nursing home or certified boarding care home, and the length of time the suspension will be in effect. The nursing home or certified boarding care home shall not admit any residents after the effective time of the order. In determining the length of time for the suspension, the commissioner shall consider the reasons for the suspension, the performance history of the nursing home, and the needs of the residents.*

*Subd. 3. [CONFERENCE.] After receiving the order for suspension, the nursing home or certified boarding care home may request a conference with the commissioner to present reasons why the suspension should be modified or should not go into effect. The request need not be in writing. If a conference is requested within 24 hours after receipt of the order, the commissioner shall hold the conference before the effective time of the suspension, unless the order for suspension is due to an emergency under subdivision 1, clause (3). If a conference is not requested within 24 hours after receipt of the order, the nursing home or certified boarding care home may request a conference and the commissioner shall schedule the conference as soon as practicable. The conference may be held in person or by telephone. After a conference, the commissioner may affirm, rescind, or modify the order.*

*Subd. 4. [CORRECTION.] The nursing home or certified boarding care home shall notify the commissioner, in writing, when any required corrective action has been completed. The commissioner may verify the corrective action by inspection under section 144A.10. The commissioner may extend the initial suspension period by written notice to the nursing home or certified boarding care home.*

*Subd. 5. [NOTIFICATION OF COMMISSIONER OF HUMAN SERVICES.] Whenever the commissioner suspends admissions to a nursing home or certified boarding care home, the commissioner shall notify the commissioner of human services of the order and of any modifications to the order.*

*Subd. 6. [HEARING.] A nursing home or certified boarding care home may appeal from an order for suspension of admissions issued under subdivision 1. To appeal, the nursing home or certified boarding care home shall file with the commissioner a written notice of appeal. The appeal must be received by the commissioner within ten days after the date of receipt of the order for suspension by the nursing home or certified boarding care home. Within 15 calendar days after receiving an appeal, the commissioner shall request assignment of an administrative law judge under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement of the parties. Regardless of any appeal, the order for suspension of admissions remains in effect until final resolution of the appeal.*

*Sec. 23. Minnesota Statutes 1988, section 144A.11, is amended by adding a subdivision to read:*

*Subd. 2a. [NOTICE TO RESIDENTS.] Within five working days after proceedings are initiated by the commissioner to revoke, suspend, or not*

*renew a nursing home license, the controlling person of the nursing home or a designee must provide to the commissioner and the ombudsman for older Minnesotans the names of residents and the names and addresses of the residents' guardians, representatives, and designated family contacts. The controlling person or designees must provide updated information each month until the proceeding is concluded. If the controlling person or designee fails to provide the information within this time, the nursing home is subject to the issuance of a correction order and penalty assessment under sections 144.653 and 144A.10. Notwithstanding those sections, any correction order issued under this subdivision must require that the facility immediately comply with the request for information and that as of the date of the issuance of the correction order, the facility shall forfeit to the state a \$100 fine the first day of noncompliance, and an increase in the \$100 fine by \$50 increments for each day the noncompliance continues. Information provided under this subdivision may be used by the commissioner or the ombudsman only for the purpose of providing affected consumers information about the status of the proceedings. Within ten working days after the commissioner initiates proceedings to revoke, suspend, or not renew a nursing home license, the commissioner of health shall send a written notice of the action and the process involved to each resident of the nursing home and the resident's legal guardian, representative, or designated family contact. The commissioner shall provide the ombudsman with monthly information on the department's actions and the status of the proceedings.*

Sec. 24. Minnesota Statutes 1988, section 144A.11, subdivision 3, is amended to read:

Subd. 3. [HEARING.] No nursing home license may be suspended or revoked, and renewal may not be denied, without a hearing held as a contested case in accordance with chapter 14. *The hearing must commence within 60 days after the proceedings are initiated.* If the controlling person designated under section 144A.03, subdivision 2, as an agent to accept service on behalf of all of the controlling persons of the nursing home has been notified by the commissioner of health that the facility will not receive an initial license or that a license renewal has been denied, the controlling person or a legal representative on behalf of the nursing home may request and receive a hearing on the denial. This hearing shall be held as a contested case in accordance with chapter 14.

Sec. 25. Minnesota Statutes 1988, section 144A.12, subdivision 1, is amended to read:

Subdivision 1. [INJUNCTIVE RELIEF] In addition to any other remedy provided by law, the commissioner of health may bring an action in the district court in Ramsey Hennepin county or in the district in which a nursing home is located to enjoin a controlling person or an employee of the nursing home from illegally engaging in activities regulated by sections 144A.01 to 144A.16. A temporary restraining order may be granted by the court in the proceeding if continued activity by the controlling person or employee would create an imminent risk of harm to a resident of the facility.

Sec. 26. Minnesota Statutes 1988, section 144A.15, subdivision 1, is amended to read:

Subdivision 1. [PETITION, NOTICE.] In addition to any other remedy provided by law, the commissioner of health may petition the district court

in Ramsey Hennepin county or in the district in which a nursing home or certified boarding care home is located for an order directing the controlling persons of the nursing home or certified boarding care home to show cause why the commissioner of health or a designee should not be appointed receiver to operate the facility. The petition to the district court shall contain proof by affidavit that the commissioner of health has either commenced license suspension or revocation proceedings, suspended or revoked a license, or decided not to renew the nursing home license, or that violations of section 1919(b), (c), or (d), of the Social Security Act, or the regulations adopted under that section, or violations of state law or rules, create an emergency. The order to show cause shall be returnable not less than five days after service is completed and shall provide for personal service of a copy to the nursing home administrator and to the persons designated as agents by the controlling persons to accept service on their behalf pursuant to section 144A.03, subdivision 2.

Sec. 27. Minnesota Statutes 1988, section 144A.15, is amended by adding a subdivision to read:

*Subd. 2a. [EMERGENCY PROCEDURE.] If it appears from the petition filed under subdivision 1, or from an affidavit or affidavits filed with the petition, or from testimony of witnesses under oath when the court determines that this is necessary, that there is probable cause to believe that an emergency exists in a nursing home or certified boarding care home, the court shall issue a temporary order for appointment of a receiver within five days after receipt of the petition. Notice of the petition shall be served personally on the nursing home administrator and on the persons designated as agents by the controlling persons to accept service on their behalf according to section 144A.03, subdivision 2. A hearing on the petition shall be held within five days after notice is served unless the administrator or designated agent consents to a later date. After the hearing, the court may continue, modify, or terminate the temporary order.*

Sec. 28. Minnesota Statutes 1988, section 144A.15, is amended by adding a subdivision to read:

*Subd. 6. [RATE RECOMMENDATION.] The commissioner may recommend to the commissioner of human services a review of the rates for a nursing home or boarding care home that participates in the medical assistance program that is in involuntary receivership, and that has needs or deficiencies documented by the department of health. If the commissioner of health determines that a review of the rate under section 256B.431 is needed, the commissioner shall provide the commissioner of human services with:*

*(1) a copy of the order or determination that cites the deficiency or need; and*

*(2) the commissioner's recommendation for additional staff and additional annual hours by type of employee and additional consultants, services, supplies, equipment, or repairs necessary to satisfy the need or deficiency.*

Sec. 29. [144A.135] [TRANSFER AND DISCHARGE APPEALS.]

*The commissioner shall establish a mechanism for hearing appeals on transfers and discharges of residents by nursing homes or boarding care homes licensed by the commissioner. The commissioner may adopt permanent rules to implement this section.*



Sec. 30. [144A.155] [PLACEMENT OF MONITOR.]

*Subdivision 1. [AUTHORITY.] The commissioner may place a person to act as a monitor in a nursing home or certified boarding care home in any of the circumstances listed in clause (1) or (2):*

*(1) in any situation for which a receiver may be appointed under section 144A.15; or*

*(2) when the commissioner determines that violations of sections 144.651, 144A.01 to 144A.16, 626.557, or section 1919(b), (c), or (d), of the Social Security Act, or rules or regulations adopted under those provisions, require extended surveillance to enforce compliance or protect the health, safety, or welfare of the residents.*

*Subd. 2. [DUTIES OF MONITOR.] The monitor shall observe the operation of the home, provide advice to the home on methods of complying with state and federal rules and regulations, where documented deficiencies from the regulations exist, and periodically shall submit a written report to the commissioner on the ways in which the home meets or fails to meet state and federal rules and regulations.*

*Subd. 3. [SELECTION OF MONITOR.] The commissioner may select as monitor an employee of the department or may contract with any other individual to serve as a monitor. The commissioner shall publish a notice in the State Register that requests proposals from individuals who wish to be considered for placement as monitors, and that sets forth the criteria for selecting individuals as monitors. The commissioner shall maintain a list of individuals who are not employees of the department who are interested in serving as monitors. The commissioner may contract with those individuals determined to be qualified.*

*Subd. 4. [PAYMENT OF MONITOR.] A nursing home or certified boarding care home in which a monitor is placed shall pay to the department the actual costs associated with the placement, unless payment would create an undue hardship for the home.*

Sec. 31. Minnesota Statutes 1988, section 144A.61, is amended to read:  
144A.61 [NURSING ASSISTANT TRAINING.]

*Subdivision 1. [PURPOSE AUTHORITY.] The purpose of this section and section 144A.61 is to improve the quality of care provided to patients of nursing homes by assuring that approved programs for the training of nursing assistants are established as necessary throughout the state. The commissioner of health, in consultation with the commissioner of human services, shall implement the provisions of Public Law Number 100-203, the Omnibus Budget Reconciliation Act of 1987, that relate to training and competency evaluation programs, testing, and the establishment of a registry for nursing assistants in nursing homes and boarding care homes certified for participation in the medical assistance or Medicare programs. The commissioner of health may adopt permanent rules that may be necessary to implement Public Law Number 100-203 and provisions of this section. The commissioner of health may contract with outside parties for the purpose of implementing the provisions of this section. At the request of the commissioner, the board of nursing may establish training and competency evaluation standards; review, evaluate, and approve curricula; review and approve training programs; and establish a registry of nursing assistants.*

Subd. 2. [NURSING ASSISTANTS.] For the purposes of this section and section 144A.611 "nursing assistant" means a nursing home or certified boarding care home employee, including a nurse's aide or an orderly, who is assigned by the director of nursing to provide or assist in the provision of ~~direct patient care nursing or nursing-related~~ services under the supervision of a registered nurse, but does not include a licensed health professional. The commissioner of ~~education~~ health may, by rule, establish categories of nursing assistants who are not required to comply with the educational requirements of this section and section 144A.611.

Subd. 3. [CURRICULA; TEST.] The ~~commissioner of~~ state director of vocational technical education shall develop curricula and a test to be used for nursing assistant training programs for employees of nursing homes and boarding care homes. The curricula, as reviewed, approved, and evaluated by the board of nursing, shall be utilized by all facilities, institutions, or programs offering nursing assistant training programs. ~~The test may be given by any technical institute or community college in accordance with instructions from the commissioner of education. The commissioner of education may prescribe a fee for the administration of the test not to exceed \$30.~~

Subd. 3a. [COMPETENCY EVALUATION PROGRAM.] *The commissioner of health shall approve the competency evaluation program. A test must be administered to nursing assistants who complete an approved training program and desire to be listed in the nursing assistant registry. The tests may only be administered by technical institutes and community colleges.*

Subd. 4. [TECHNICAL ASSISTANCE.] The ~~commissioner of~~ state director of vocational education shall, upon request, provide necessary and appropriate technical assistance in the development of nursing assistant training programs.

Subd. 6. [TRAINING PROGRAM.] Each nursing assistant hired to work in a nursing home on or after January 1, 1979, ~~shall but before January 1, 1990, must~~ have successfully completed an approved nursing assistant training program or shall be enrolled in the first available approved training program which is scheduled to commence within 60 days of the date of the assistant's employment. Approved training programs shall be offered at the location most reasonably accessible to the enrollees in each class.

Subd. 6a. [NURSING ASSISTANTS HIRED IN 1990 AND AFTER.] *Each nursing assistant hired to work in a nursing home on or after January 1, 1990, or in a certified boarding care home on or after October 1, 1990, must have successfully completed an approved nursing assistant training program and competency evaluation.*

Subd. 7. [VIOLATION, PENALTY.] Violation of this section and ~~section 144A.611~~ by a nursing home or certified boarding care home shall be grounds for the issuance of a correction order to the ~~nursing home by the state commissioner of health.~~ Under the provisions of section 144.653 or 144A.10, the failure of the nursing home or certified boarding care home to ~~correct the deficiency or deficiencies specified in~~ comply with the correction order shall result in the assessment of a fine in accordance with the schedule of fines promulgated by rule of the state commissioner of health the amount of \$300.

Subd. 8. [EXCEPTIONS.] Employees of nursing homes conducted in

accordance with the teachings of the body known as the Church of Christ, Scientist, shall be exempt from the requirements of this section and section 144A.611.

Sec. 32. Minnesota Statutes 1988, section 144A.611, is amended to read:

144A.611 [REIMBURSABLE EXPENSES PAYABLE TO NURSING ASSISTANTS.]

Subdivision 1. [NURSING HOMES AND CERTIFIED BOARDING CARE HOMES.] The actual costs of tuition and reasonable expenses for ~~that approved program deemed by the commissioner of education to be minimally necessary to protect the health and welfare of nursing home residents the nursing assistant training program approved under section 144A.61,~~ which are paid to nursing ~~home~~ assistants pursuant to subdivision 2, ~~shall be~~ are a reimbursable expense for nursing homes and certified boarding care homes under the provisions of chapter 256B and the rules promulgated thereunder.

Subd. 2. [NURSING ASSISTANTS.] A nursing assistant who has completed an approved training program shall be reimbursed by the nursing home or certified boarding care home for actual costs of tuition and reasonable expenses for the training program 90 days after the date of employment, or upon completion of the approved training program, whichever is later.

Subd. 3. [RULES.] The commissioner of human services shall promulgate any rules necessary to implement the provisions of this section. The rules shall include, but not be limited to:

(a) Provisions designed to prevent reimbursement by the commissioner under this section and section 144A.61 to a nursing home, *certified boarding care home*, or a nursing assistant for the assistant's *simultaneous* training in more than one approved program;

(b) Provisions designed to prevent reimbursement by the commissioner under this section and section 144A.61 to more than one nursing home or *certified boarding care home* for the training of any individual nursing assistant; and

(c) Provisions permitting the reimbursement by the commissioner to nursing homes, *certified boarding care homes*, and nursing assistants for the retraining of a nursing assistant after an absence from the labor market of not less than ~~five years~~ *24 months*.

Sec. 33. Minnesota Statutes 1988, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. [SKILLED AND INTERMEDIATE NURSING CARE.] Medical assistance covers skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with mental retardation or related conditions who are residing in intermediate care facilities for persons with mental retardation or related conditions. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562; ~~unless (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; and (e) no nursing home beds are available within 25 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.

Sec. 34. Minnesota Statutes 1988, section 256B.091, subdivision 3, is amended to read:

Subd. 3. [SCREENING TEAM; DUTIES.] Local screening teams shall seek cooperation from other public and private agencies in the community which offer services to the disabled and elderly. The responsibilities of the agency responsible for screening shall include:

(a) Provision of information and education to the general public regarding availability of the screening program;

(b) Acceptance of referrals from individuals, families, human service professionals and nursing home personnel of the community agencies;

(c) Assessment of health and social needs of referred individuals and identification of services needed to maintain these persons in the least restrictive environments;

(d) Identification of available noninstitutional services to meet the needs of individuals referred;

(e) Recommendations for individuals screened regarding:

(1) Nursing home or boarding care home admission; and

(2) Maintenance in the community with specific service plans and referrals and designation of a lead agency to implement each individual's plan of care;

(f) *Assessment of active treatment needs:*

(1) *in cooperation with a qualified mental health professional for persons with a primary or secondary diagnosis of mental illness; and*

(2) *in cooperation with a qualified mental retardation professional for persons with a primary or secondary diagnosis of mental retardation or related conditions.*

*For purposes of this subdivision, a qualified mental retardation professional must meet the standards for a qualified mental retardation professional in Code of Federal Regulations, title 42, section 483.430;*

(g) Provision of follow up services as needed; and

~~(g)~~ (h) Preparation of reports which may be required by the commissioner of human services.

Sec. 35. Minnesota Statutes 1988, section 256B.25, is amended by adding a subdivision to read:

Subd. 4. [PAYMENT DURING SUSPENDED ADMISSIONS.] *A nursing home or boarding care home that has received a notice to suspend admissions under section 144A.10, subdivision 4a, shall be ineligible to receive*

*payment for admissions that occur during the effective dates of the suspension. Upon termination of the suspension by the commissioner of health, payments may be made for eligible persons, beginning with the day after the suspension ends.*

Sec. 36. Minnesota Statutes 1988, section 256B.421, subdivision 14, is amended to read:

Subd. 14. [FRINGE BENEFITS.] "Fringe benefits" means ~~workers' compensation insurance~~, group health or dental insurance, group life insurance, retirement benefits or plans, and uniform allowances.

Sec. 37. Minnesota Statutes 1988, section 256B.431, subdivision 2b, is amended to read:

Subd. 2b. [OPERATING COSTS, AFTER JULY 1, 1985.] (a) For rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

(b) The commissioner shall contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.

(c) The commissioner shall analyze and evaluate each nursing home's cost report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, size of the nursing home, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing home. In developing the geographic groups for purposes of reimbursement under this section, the commissioner shall ensure that nursing homes in any county contiguous to the Minneapolis-St. Paul seven-county metropolitan area are included in the same geographic group. The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. For rate years beginning on or after July 1, 1987, or until the new base period is established, facilities located in geographic group I as described in Minnesota Rules, part 9549.0052 (Emergency), on January 1, 1987, may choose to have the commissioner apply either the care related limits or the other operating cost limits calculated for facilities located in geographic group II, or both, if either of the limits calculated for the group II facilities is higher. The efficiency incentive for geographic group I nursing homes must be calculated based on geographic group I limits. The phase-in must be established utilizing the chosen limits. For purposes of these exceptions to the geographic grouping requirements, the definitions in Minnesota Rules, parts 9549.0050 to 9549.0059 (Emergency), and 9549.0010 to 9549.0080, apply. The limits established under this paragraph remain in effect until the commissioner establishes a new base period. Until the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (e). In determining

allowable historical operating cost per diems for purposes of setting limits and nursing home payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing home is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent. The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner shall consider establishing efficiency incentives in care related cost categories. The commissioner may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories. For the rate year beginning on July 1, 1985, the commissioner shall:

(1) allow nursing homes that have an average length of stay of 180 days or less in their skilled nursing level of care, 125 percent of the care related limit and 105 percent of the other operating cost limit established by rule; and

(2) exempt nursing homes licensed on July 1, 1983, by the commissioner to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3600, from the care related limits and allow 105 percent of the other operating cost limit established by rule.

For the purpose of calculating the other operating cost efficiency incentive for nursing homes referred to in clause (1) or (2), the commissioner shall use the other operating cost limit established by rule before application of the 105 percent.

(e) The commissioner shall establish a composite index or indices by determining the appropriate economic change indicators to be applied to specific operating cost categories or combination of operating cost categories.

(f) Each nursing home shall receive an operating cost payment rate equal to the sum of the nursing home's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category shall be the lesser of the nursing home's historical operating cost in the category increased by the appropriate index established in paragraph (e) for the operating cost category plus an efficiency incentive established pursuant to paragraph (d) or the limit for the operating cost category increased by the same index. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the commissioner may establish separate rates for different classes of residents based on their relative care needs.

(g) The commissioner shall include the reported actual real estate tax liability or payments in lieu of real estate tax of each nursing home as an operating cost of that nursing home. Allowable costs under this subdivision for payments made by a nonprofit nursing home that are in lieu of real estate taxes shall not exceed the amount which the nursing home would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes. For rate years beginning on or after July 1, 1987, the reported actual real estate tax liability or payments in lieu of real estate tax of nursing homes shall be adjusted to include an amount equal to one-half of the dollar change in real estate taxes from the prior

year. The commissioner shall include a reported actual special assessment, and reported actual license fees required by the Minnesota department of health, for each nursing home as an operating cost of that nursing home, and for rate years beginning July 1, 1989, and July 1, 1990, workers' compensation insurance, provided the nursing home submits by April 5 a copy of its actual invoice for workers' compensation insurance for coverage which most nearly approximates the nursing home's rate year. The commissioner shall substitute the amount of the annual actual workers' compensation insurance premium for the amount of workers' compensation insurance reported on the cost report at an amount that is the lesser of the actual workers' compensation insurance premium submitted or 120 percent of workers' compensation insurance reported on the cost report. If the actual invoice for workers' compensation insurance is not provided by April 5, the commissioner shall disallow the nursing home's workers' compensation insurance. The disallowance shall remain in effect until the nursing home provides the actual invoice for workers' compensation insurance and amends its cost report as provided in Minnesota Rules, part 9549.0041, subpart 14. Upon receipt of that invoice, the commissioner shall adjust the nursing home's payment rate accordingly. Total adjusted real estate tax liability, payments in lieu of real estate tax, actual special assessments paid, workers' compensation insurance increases, and license fees paid as required by the Minnesota department of health, for each nursing home (1) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (2) shall not be used to compute the 60th percentile care-related operating cost limits or other operating cost limits established by the commissioner, and (3) shall not be increased by the composite index or indices established pursuant to paragraph (e).

(h) For rate years beginning on or after July 1, 1987, the commissioner shall adjust the rates of a nursing home that meets the criteria for the special dietary needs of its residents as specified in section 144A.071, subdivision 3, clause (c), and the requirements in section 31.651. The adjustment for raw food cost shall be the difference between the nursing home's allowable historical raw food cost per diem and 115 percent of the median historical allowable raw food cost per diem of the corresponding geographic group.

The rate adjustment shall be reduced by the applicable phase-in percentage as provided under subdivision 2h.

Sec. 38. Minnesota Statutes 1988, section 256B.431, subdivision 2c, is amended to read:

Subd. 2c. [OPERATING COSTS AFTER JULY 1, 1986; *ONETIME ADJUSTMENTS*.] (a) For rate years beginning on or after July 1, 1986, the commissioner may allow a ~~one time~~ onetime adjustment to historical operating costs of a nursing home that has been found by the commissioner of health to be significantly below ~~care related~~ care-related minimum standards appropriate to the mix of resident needs in that nursing home when it is determined by the commissioners of health and human services that the nursing home is unable to meet minimum standards through reallocation of nursing home costs and efficiency incentives or allowances. In developing procedures to allow adjustments, the commissioner shall specify the terms and conditions governing any additional payments made to a nursing home as a result of the adjustment. The commissioner shall establish procedures to recover amounts paid under this subdivision, in whole or in part, and to

adjust current and future rates, for nursing homes that fail to use the adjustment to satisfy ~~care~~ *care-related* minimum standards.

*(b) For rate years beginning on or after July 1, 1989, the commissioner may allow a onetime adjustment to historical operating costs of a nursing home that the commissioner of health finds is significantly below care-related minimum standards appropriate to the mix of resident needs in that nursing home as a result of an action of the legislature to increase the minimum number of nursing hours required under section 144A.04, subdivision 7, paragraph (a). A nursing home that satisfies the criteria for an adjustment under this paragraph is eligible for the adjustment even if the nursing home previously received a onetime adjustment under paragraph (a). The requirements, procedures, and rules that apply to a onetime adjustment under paragraph (a) also apply to an adjustment under this paragraph, except that:*

*(1) the time period upon which the onetime adjustment is based is October 1, 1987, to September 30, 1988;*

*(2) the time period over which the onetime adjustment is to be reimbursed is October 1, 1989, to September 30, 1990;*

*(3) the nursing home may not have received an interim or settle-up payment rate during the reporting period ending September 30, 1988;*

*(4) the documentation requirements apply to the reporting years ending September 30, 1987, and September 30, 1988;*

*(5) the commissioner may only adjust a nursing home's care-related operating cost payment rates for the number of productive nursing hours per standardized day that the nursing home is below the care-related minimum standard of 1.0 in section 144A.04, subdivision 7, paragraph (a), and above .95, multiplied by 1.50;*

*(6) the nursing home's efficiency incentive may not be used to offset the onetime adjustment; and*

*(7) the commissioner's fiscal and compliance review must relate to the care-related minimum standard in section 144A.04, subdivision 7, paragraph (a), the reporting period ending September 30, 1990, and the implementation provisions shall relate to the rate year beginning July 1, 1991, or the nine-month period following the reporting year ending September 30, 1990.*

Sec. 39. Minnesota Statutes 1988, section 256B.431, subdivision 2e, is amended to read:

Subd. 2e. [CONTRACTS FOR SERVICES FOR VENTILATOR DEPENDENT PERSONS.] The commissioner may contract with a nursing home eligible to receive medical assistance payments to provide services to a ventilator dependent person identified by the commissioner according to criteria developed by the commissioner, including:

(1) nursing home care has been recommended for the person by a preadmission screening team;

(2) the person has been assessed at case mix classification K;

(3) the person has been hospitalized for at least six months and no longer requires inpatient acute care hospital services; and

(4) the commissioner has determined that necessary services for the



person cannot be provided under existing nursing home rates.

The commissioner may issue a request for proposals to provide services to a ventilator dependent person to nursing homes eligible to receive medical assistance payments and shall select nursing homes from among respondents according to criteria developed by the commissioner, including:

- (1) the cost effectiveness and appropriateness of services;
- (2) the nursing home's compliance with federal and state licensing and certification standards; and
- (3) the proximity of the nursing home to a ventilator dependent person identified by the commissioner who requires nursing home placement.

The commissioner may negotiate an adjustment to the operating cost payment rate for a nursing home selected by the commissioner from among respondents to the request for proposals. The negotiated adjustment must reflect only the actual additional cost of meeting the specialized care needs of a ventilator dependent person identified by the commissioner for whom necessary services cannot be provided under existing nursing home rates and which are not otherwise covered under Minnesota Rules, parts 9549.0010 to 9549.0080 or 9505.0170 to 9505.0475. *The negotiated payment rate must not exceed 200 percent of the highest multiple bedroom payment rate for a Minnesota nursing home, as initially established by the commissioner for the rate year for case mix classification K.* The negotiated adjustment shall not affect the payment rate charged to private paying residents under the provisions of section 256B.48, subdivision 1. The negotiated adjustment paid pursuant to this paragraph is specifically exempt from the definition of "rule" and the rulemaking procedures required by chapter 14 and section 256B.502.

Sec. 40. Minnesota Statutes 1988, section 256B.431, subdivision 2i, is amended 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 110 percent of the median 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 125 percent of the median of the array 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.]

[1988-1990.] For the rate period October 1, 1988, to 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 3.5 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~~ paragraph 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 with the legislative commission on long-term care by August 1, 1990.

[WAGE DISPARITY ADJUSTMENT PER DIEM; 1988-1990.] *For the rate period October 1, 1989, to June 30, 1991, the commissioner shall add the appropriate salary adjustment per diem calculated under clauses (1) to (3) 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) All nursing homes must be grouped according to Minnesota hospital association districts as indicated in the Minnesota salary survey of hospitals and nursing homes for 1988 as published by the department of jobs and training. The percentage adjustment is determined according to the percentage disparity that exists between the care-related salaries of hospital employees and nursing home employees in each district. For this purpose the disparity is determined as follows:*

*(i) The median hourly wage for staff nurses, licensed practical nurses, and nurse assistants employed in nursing homes in each district is combined on a district basis. A corresponding value is determined for hospitals in each district.*

*(ii) The value determined in subclause (i) for hospital employees is divided by the corresponding value for the nursing home wages determined in subclause (i). The resulting value is the wage disparity for each district.*

*(iii) Nursing homes with disparity values of greater than one but less than or equal to 1.1 will receive a one percent adjustment. Nursing homes with a disparity value of greater than 1.1 but less than or equal to 1.2 will receive a two percent adjustment. Nursing homes with a disparity value of greater than 1.2 will receive a three percent adjustment.*

(2) 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 the appropriate percentage determined under clause (1) and then dividing the resulting amount by the nursing home's actual resident days.

(3) 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 (2) for the district in which the nursing home is located.

Each nursing home that receives a salary adjustment per diem pursuant to this clause must adjust nursing home employee salaries by a minimum of the amount determined under clauses (1) to (3). The commissioner shall review allowable salary costs, including payroll taxes and fringe benefits, for the reporting year ending September 30, 1990, to determine whether or not each nursing home complied with this requirement. The commissioner shall report the extent to which each nursing home complied with the legislative commission on long-term care by August 1, 1991.

(d) ~~[PENSION CONTRIBUTIONS.]~~ For rate years beginning on or after July 1, 1989, 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. 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. For purposes of this paragraph, "employee pension contributions" means contributions required under the Public Employee Retirement Act and contributions to other employee pension plans if the pension plan existed on March 1, 1988.

(e) ~~[NEW BASE YEAR.]~~ The commissioner shall establish the reporting year ending September 30, 1989, as a new base year. The commissioner shall establish new base years for both the reporting year ending September 30, 1989, and the reporting year ending September 30, 1990. In establishing new base years, the commissioner must take into account:

- (1) statutory changes made in geographic groups;
- (2) redefinitions of cost categories; and
- (3) reclassification, pass-through, or exemption of certain costs such as workers' compensation and employee pension contributions.

Sec. 41. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

*Subd. 2j. [HOSPITAL-ATTACHED NURSING HOME STATUS.] (a) For the purpose of setting rates under Minnesota Rules, parts 9549.0010 to 9549.0080, for rate years beginning after June 30, 1989, a hospital-attached nursing home means a nursing home recognized by the federal Medicare program to be a hospital-based nursing facility for purposes of*

*being subject to higher cost limits accorded hospital-based nursing facilities under the Medicare program, provided that the nursing home's cost report filed under Minnesota Rules, parts 9549.0010 to 9549.0080, shall use the same cost allocation principles and methods used in the reports filed for the Medicare program.*

*(b) For rate years beginning after June 30, 1989, a nursing home and hospital, which have applied for hospital-based nursing facility status under the federal Medicare program during the reporting year or the nine-month period following the nursing home's reporting year, shall be considered a hospital-attached nursing home for purposes of setting payment rates under Minnesota Rules, parts 9549.0010 to 9549.0080, for the rate year following the reporting year or the nine-month period in which the facility made its Medicare application. The nursing home must file its cost report or an amended cost report for that reporting year before the following rate year using Medicare principles and Medicare's recommended cost allocation methods had the Medicare program's hospital-based nursing facility status been granted to the nursing home. For each subsequent rate year, the nursing home must meet the definition requirements in paragraph (a). If the nursing home is denied hospital-based nursing facility status under the Medicare program, the nursing home's payment rates for the rate years the nursing home was considered to be a hospital-attached nursing home pursuant to this paragraph shall be recalculated treating the nursing home as a non-hospital-attached nursing home.*

Sec. 42. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

*Subd. 2k. [CASE MIX COST ALLOCATION ADJUSTMENT.] For rate years beginning after June 30, 1989, the commissioner shall adjust a nursing home's total payment rate established in Minnesota Rules, part 9549.0070, subpart 1, according to paragraphs (a) to (h):*

*(a) A nursing home whose nursing facility beds are not 100 percent certified for Medicare by the end of the reporting year ending September 30, 1988, and each full reporting year thereafter, is not eligible for a case mix cost allocation adjustment per diem.*

*(b) The commissioner shall calculate each nursing home's Medicare case mix score by dividing each home's standardized Medicare resident days by its actual Medicare resident days for the reporting year.*

*(c) The commissioner shall calculate each nursing home's total case mix score by dividing each home's standardized resident days by its actual resident days for the reporting year.*

*(d) The commissioner shall subtract the nursing home's total case mix score from the home's Medicare case mix score and multiply the difference by the allowable historical case mix operating cost standardized per diem, as established in Minnesota Rules, part 9549.0054, subpart 3.*

*(e) The commissioner shall calculate the case mix cost allocation adjustment factor by multiplying the amount calculated in paragraph (c) by the number of actual Medicare resident days in the reporting year.*

*(f) The commissioner shall calculate the case mix cost allocation adjustment per diem by multiplying the case mix cost allocation adjustment factor by the care-related annual adjustment factor, as established in Minnesota Rules, part 9549.0055, subpart 1, item A, and dividing the product by the*

*sum of the number of actual medical assistance resident days and private pay resident days in the reporting year.*

*(g) The commissioner shall add the case mix cost allocation adjustment per diem calculated in paragraph (e) to the nursing home's total payment rate.*

*(h) A case mix cost allocation adjustment paid under this subdivision is subject to retroactive recovery if the Health Care Financing Administration disapproves the commissioner's state plan amendment.*

Sec. 43. Minnesota Statutes 1988, section 256B.431, subdivision 3a, is amended to read:

Subd. 3a. [PROPERTY-RELATED COSTS AFTER JULY 1, 1985.] (a) For rate years beginning on or after July 1, 1985, the commissioner, by permanent rule, shall reimburse nursing home providers that are vendors in the medical assistance program for the rental use of real estate and depreciable equipment. "Real estate" means land improvements, buildings, and attached fixtures used directly for resident care. "Depreciable equipment" means the standard movable resident care equipment and support service equipment generally used in long-term care facilities.

(b) In developing the method for determining payment rates for the rental use of nursing homes, the commissioner shall consider factors designed to:

(1) simplify the administrative procedures for determining payment rates for property-related costs:

(2) minimize discretionary or appealable decisions;

(3) eliminate any incentives to sell nursing homes;

(4) recognize legitimate costs of preserving and replacing property;

(5) recognize the existing costs of outstanding indebtedness allowable under the statutes and rules in effect on May 1, 1983;

(6) address the current value of, if used directly for patient care, land improvements, buildings, attached fixtures, and equipment;

(7) establish an investment per bed limitation;

(8) reward efficient management of capital assets;

(9) provide equitable treatment of facilities;

(10) consider a variable rate; and

(11) phase-in implementation of the rental reimbursement method.

(c) No later than January 1, 1984, the commissioner shall report to the legislature on any further action necessary or desirable in order to implement the purposes and provisions of this subdivision.

(d) For rate years beginning on or after July 1, 1987, a nursing home which has reduced licensed bed capacity after January 1, 1986, shall be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed prior to the reduction; and

(2) establish capacity days for each rate year following the licensure reduction based on the number of beds licensed on the previous April 1 if the commissioner is notified of the change by April 4. The notification

must include a copy of the delicensure request that has been submitted to the commissioner of health.

(e) Until the rental reimbursement method is fully phased in, a nursing home whose final property-related payment rate is the rental rate shall continue to have its property-related payment rates established based on the rental reimbursement method.

*(f) For rate years beginning on or after July 1, 1989, the interest expense that results from a refinancing of a nursing home's demand call loan, when the loan that must be refinanced was incurred before May 22, 1983, is an allowable interest expense if:*

*(1) the demand call loan or any part of it was in the form of a loan that was callable at the demand of the lender;*

*(2) the demand call loan or any part of it was called by the lender through no fault of the nursing home;*

*(3) the demand call loan or any part of it was made by a government agency operating under a statutory or regulatory loan program;*

*(4) the refinanced debt does not exceed the sum of the allowable remaining balance of the demand call loan at the time of payment on the demand call loan and refinancing costs;*

*(5) the term of the refinanced debt does not exceed the remaining term of the demand call loan, had the debt not been subject to an on-call payment demand; and*

*(6) the refinanced debt is not a debt between related organizations as defined in Minnesota Rules, part 9549.0020, subpart 38.*

Sec. 44. Minnesota Statutes 1988, section 256B.431, subdivision 3f, is amended 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. *For the rate year beginning July 1, 1989, the replacement-cost-new per bed limit for a single bedroom must be \$49,907 adjusted according to Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1).* Beginning January 1, ~~1989~~ 1990, 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 94 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~~ 94 percent of capacity days.

(d) [EQUIPMENT ALLOWANCE.] For rate years beginning on July 1, 1988, and July 1, 1989, the commissioner shall add ten cents per resident per day to each nursing home's property-related payment rate. The ten-cent property-related payment rate increase is not cumulative from rate year to rate year. 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 ten 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 refinanced, 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.~~

(e) [POST-CHAPTER 199 RELATED-ORGANIZATION DEBTS AND INTEREST EXPENSE.] For rate years beginning on or after July 1, 1990, Minnesota Rules, part 9549.0060, subpart 5, item E, do not apply to outstanding related-organization debt incurred prior to May 23, 1983, provided that the debt was an allowable debt under Minnesota Rules, parts 9510.0010 to 9510.0480, the debt is subject to repayment through annual principle payments, and the nursing home demonstrates to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred. If the debt was incurred due to a sale between family members, the nursing home must also demonstrate that the seller no longer participates in the management or operation of the nursing home from the date of the sale. Debts meeting the conditions of this paragraph are subject to all other provisions of Minnesota Rules, parts 9549.0010 to 9549.0080.

(f) [CAPITAL ASSET REPLACEMENT FUND.] For rate years beginning on or after July 1, 1990, the commissioner shall establish a capital asset replacement fund per diem for each nursing home. The capital asset replacement fund per diem equals the nursing home's allowable appraised value multiplied by .03, divided by the home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by paragraph (c) for the preceding reporting year. The nursing home must establish, manage, and use the capital asset replacement fund as provided in

clauses 1 to 7.

(1) *The nursing home must annually deposit to the capital asset replacement fund, within 30 days after the end of the reporting year, an amount equal to the capital asset replacement fund per diems multiplied by the nursing home's proportion of resident days appropriate to the capital asset replacement fund per diem established for that reporting year. For the reporting year ending September 30, 1989, the nursing home's resident days must be multiplied by .25.*

(2) *Capital asset replacement funds must be invested in liquid marketable investments such as savings or money market accounts, certificates of deposit and United States treasury bills. A separate capital asset replacement fund account must be maintained for each nursing home.*

(3) *Capital asset replacement funds and the interest income earned on the capital asset replacement funds may only be used for the cost of capitalized repair, renovation, or replacement of the nursing home's buildings, attached fixtures, or land improvements that were incurred after June 30, 1990.*

(4) *Capital asset replacement funds and the interest income earned on the capital asset replacement funds attach to the nursing home, and shall remain the property of the nursing home regardless of a sale, change of ownership, or reorganization of provider entity. If the nursing home is decertified or delicensed, and the nursing home's beds are not replaced as certified nursing home beds under the medical assistance program, the commissioner shall recapture all remaining capital asset replacement funds, including any interest income earned thereon.*

(5) *Capital asset replacement funds managed or used contrary to any of the provisions of this paragraph must be recaptured by the commissioner through desk audit or field audit adjustments.*

(6) *The terms "renovation" and "replacement" have the meanings given them in section 144A.073, subdivision 1.*

(7) *The terms "reporting year," "rate year," "buildings," "attached fixtures," "land improvements," "repairs," and "resident days," have the meanings given them in Minnesota Rules, parts 9549.0010 to 9549.0080.*

(g) [BUILDING CAPITAL ALLOWANCE FOR NURSING HOMES WITH OPERATING LEASES.] *For rate years beginning on or after July 1, 1990, a nursing home with operating lease costs incurred for the nursing home's buildings shall receive its building capital allowance computed in accordance with Minnesota Rules, part 9549.0060, subpart 8.*

Sec. 45. Minnesota Statutes 1988, section 256B.431, subdivision 3g, is amended to read:

Subd. 3g. [PROPERTY COSTS AFTER JULY 1, 1990, FOR CERTAIN FACILITIES.] *For rate years beginning on or after July 1, 1990, non-hospital attached nursing homes that, on or after January 1, 1976, but prior to ~~December 31, 1985~~ January 1, 1987, were newly licensed after new construction, or increased their licensed beds by a minimum of 35 percent through new construction, and whose building capital allowance is less than their allowable annual principal and interest on allowable debt prior to the application of the replacement-cost-new per bed limit and whose remaining weighted average debt amortization schedule as of January 1, 1988, exceeded 15 years, must receive a property-related payment rate*



equal to the greater of their rental per diem or their annual allowable principal and allowable interest without application of the replacement-cost-new per bed limit *divided by their capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c), from the preceding reporting year*; plus their equipment allowance. A nursing home that is eligible for a property-related payment rate under this subdivision and whose property-related payment rate in a subsequent rate year is its rental per diem must continue to have its property-related payment rates established for all future rate years based on the rental reimbursement method in Minnesota Rules, part 9549.0060.

The commissioner may require the nursing home to apply for refinancing as a condition of receiving special rate treatment under this subdivision.

Sec. 46. Minnesota Statutes 1988, 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, but before January 1, 1988, 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 the fiscal year beginning on January 1, 1988, the facility's payment rate must 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 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 prior year's payment rate plus the real estate tax and special assessment per diem.

(5) For fiscal years beginning on or after January 1, 1989, the facility's payment rate must 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.

(6) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

(d) A facility that meets the criteria of paragraph (c) shall submit annual cost reports on forms prescribed by the commissioner.

(e) 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.

(f) 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.

*(g) Upon receiving a recommendation from the commissioner of health for a review of rates under section 144A.15, subdivision 6, the commissioner may grant an adjustment to the nursing home's payment rate. The commissioner shall review the recommendation of the commissioner of health, together with the nursing home's cost report to determine whether or not the deficiency or need can be corrected or met by reallocating nursing home staff, costs, revenues, or other resources including any investments, efficiency incentives, or allowances. If the commissioner determines that the deficiency cannot be corrected or the need cannot be met, the commissioner shall determine the payment rate adjustment by dividing the additional annual costs established during the commissioner's review by the nursing home's actual resident days from the most recent desk-audited cost report. The payment rate adjustment must meet the conditions in section 256B.47, subdivision 2, and shall remain in effect until the receivership under section 144A.15 ends, or until another date the commissioner sets.*

*Upon the subsequent sale or transfer of the nursing home, the commissioner may recover amounts paid through payment rate adjustments under*

*this paragraph. The buyer or transferee shall repay this amount to the commissioner within 60 days after the commissioner notifies the buyer or transferee of the obligation to repay. The buyer or transferee must also repay the private-pay resident the amount the private-pay resident paid through payment rate adjustment.*

(h) 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. 47. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

*Subd. 7. [ONETIME ADJUSTMENT TO NURSING HOME PAYMENT RATES TO COMPLY WITH OMNIBUS BUDGET RECONCILIATION ACT.] The commissioner shall determine a onetime nursing staff adjustment to the payment rate to adjust payment rates to upgrade certain nursing homes' professional nursing staff complement to meet the minimum standards of 1987 Public Law Number 100-203. The adjustments to the payment rates determined under this subdivision cover cost increases to meet minimum standards for professional nursing staff. For a nursing home to be eligible for the payment rate adjustment, a nursing home must have all of its current licensed beds certified solely for the intermediate level of care. When the commissioner establishes that it is not cost effective to upgrade an eligible nursing home to the new minimum staff standards, the commissioner may exclude the nursing home if it is either an institution for mental disease or a nursing home that would have been determined to be an institution for mental disease, but for the fact that it has 16 or fewer licensed beds.*

*(a) The increased cost of professional nursing for an eligible nursing home shall be determined according to clauses (1) to (4):*

*(1) subtract from the number 8760 the compensated hours for professional nurses, both employed and contracted, and, if the result is greater than zero, then multiply the result by \$4.55;*

*(2) subtract from the number 2920 the compensated hours for registered nurses, both employed and contracted, and, if the result is greater than zero, then multiply the result by \$9.30;*

*(3) if an eligible nursing home has less than 61 licensed beds, the director of nurses' compensated hours must be included in the compensated hours for professional nurses in clause (1). If the director of nurses is also a registered nurse, the director of nurses' hours must be included in the compensated hours for registered nurses in clause (2); and*

*(4) the onetime nursing staff adjustment to the payment rate shall be the sum of clauses (1) and (2) as adjusted by clause (3), if appropriate, and then divided by the nursing home's actual resident days for the reporting year ending September 30, 1988.*

*(b) The onetime nursing staff adjustment to the payment rate is effective from October 1, 1989, to June 30, 1991.*

*(c) If a nursing home is granted a waiver to the minimum professional nursing staff standards under Public Law Number 100-203 for either the professional nurse adjustment referred to in clause (1), or the registered nurse adjustment in clause (2), the commissioner must recover the portion of the nursing home's payment rate that relates to a onetime nursing staff adjustment granted under this subdivision. The amount to be recovered must be based on the type and extent of the waiver granted.*

Sec. 48. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

*Subd. 8. [ONETIME PER DIEM RATE ADJUSTMENT FOR INCREASED COSTS UNDER THE OMNIBUS BUDGET RECONCILIATION ACT.] For the rate years beginning July 1, 1989, and July 1, 1990, the commissioner shall add 35 cents per resident per day to the nursing home's payment rate. The adjustment may not be paid to freestanding boarding care homes.*

Sec. 49. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

*Subd. 9. [ONETIME ADJUSTMENT FOR FREESTANDING BOARDING CARE HOMES TO COVER INCREASED COSTS UNDER THE OMNIBUS BUDGET RECONCILIATION ACT.] (a) The commissioner shall determine a onetime adjustment to the payment rate of a freestanding boarding care home necessary for that home to comply with the provisions of Public Law Number 100-203 except those requirements outlined in subdivision 7. The adjustment to the payment rate determined under this subdivision covers increased costs for a medical director, nurse aide training for newly hired aides, ongoing in-service training for nurses aides, and other requirements identified by the commissioner that are required because of the Omnibus Budget Reconciliation Act of 1987. These costs will only be reimbursed if they are required in the final regulations pertaining to Public Law Number 100-203.*

*(b) Each facility eligible for this adjustment shall submit to the commissioner a detailed estimate of the cost increases the facility will incur for these costs.*

*(c) The costs that are determined by the commissioner to be reasonable and necessary for a freestanding boarding care home to comply with Public Law Number 100-203, except those costs outlined in subdivision 7, must be included in the calculation of the adjustment.*

*(d) The maximum allowable annual adjustment per bed is \$400.*

*(e) The onetime adjustment is the cost allowed in paragraph (b), subject to the limits in paragraph (c), divided by the nursing home's actual resident days for the reporting year that ended September 30, 1988.*

*(f) The onetime adjustment determined is effective from October 1, 1989, to June 30, 1991.*

Sec. 50. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

*Subd. 10. [APPRAISAL SAMPLE STABILIZATION AND SPECIAL REAPPRAISALS.] (a) The percentage change in appraised values for*

*nursing homes in the sample used for routine updating of appraised values under Minnesota Rules, part 9549.0060, subpart 2, shall be stabilized by eliminating from the sample of nursing home appraisals that represent the five highest and the five lowest deviations from those nursing home's previously established appraised values.*

*(b) A special reappraisal request must be submitted to the commissioner within 60 days after the project's completion date to be considered eligible for a special reappraisal. If a project has multiple completion dates or involves multiple projects, only projects or parts of projects with completion dates within one year of the completion date associated with a special reappraisal request can be included for the purpose of establishing the nursing home's eligibility for a special reappraisal. A facility which is eligible to request, has requested, or has received a special reappraisal during the calendar year must not be included in the random sample process used to determine the average percentage change in appraised value of nursing homes in the sample.*

Sec. 51. Minnesota Statutes 1988, section 256B.47, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION OF COSTS.] To ensure the avoidance of double payments as required by section 256B.433, the direct and indirect reporting year costs of providing residents of nursing homes that are not hospital attached with therapy services that are billed separately from the nursing home payment rate or according to Minnesota Rules, parts 9500.0750 to 9500.1080, must be determined and deducted from the appropriate cost categories of the annual cost report as follows:

(a) The costs of wages and salaries for employees providing or participating in providing and consultants providing services shall be allocated to the therapy service based on direct identification.

(b) The costs of fringe benefits and payroll taxes relating to the costs in paragraph (a) must be allocated to the therapy service based on direct identification or the ratio of total costs in paragraph (a) to the sum of total allowable salaries and the costs in paragraph (a).

(c) The costs of housekeeping, plant operations and maintenance, real estate taxes, special assessments, ~~property~~ and insurance, other than the amounts classified as a fringe benefit, must be allocated to the therapy service based on the ratio of service area square footage to total facility square footage.

(d) The costs of bookkeeping and medical records must be allocated to the therapy service either by the method in paragraph (e) or based on direct identification. Direct identification may be used if adequate documentation is provided to, and accepted by, the commissioner.

(e) The costs of administrators, bookkeeping, and medical records salaries, except as provided in paragraph (d), must be allocated to the therapy service based on the ratio of the total costs in paragraphs (a) to (d) to the sum of total allowable nursing home costs and the costs in paragraphs (a) to (d).

*(f) The cost of property must be allocated to the therapy service and removed from the rental per diem, based on the ratio of service area square footage to total facility square footage multiplied by the building capital allowance.*

Sec. 52. Minnesota Statutes 1988, section 256B.48, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED PRACTICES.] A nursing home is not eligible to receive medical assistance payments unless it refrains from all of the following:

(a) Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients as determined by the prospective desk audit rate, except under the following circumstances: the nursing home may (1) charge private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance residents are charged separately at the same rate for the same services in addition to the daily rate paid by the commissioner. Services covered by the payment rate must be the same regardless of payment source. Special services, if offered, must be ~~offered~~ *available* to all residents *in all areas of the nursing home* and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing home in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing home. Services beyond those required to comply with licensure or certification standards must not be charged separately as a special service if they were included in the payment rate for the previous reporting year. A nursing home that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing home that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing home may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of an administrative law judge under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The administrative law judge shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance.

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay any fee or deposit in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home.

(c) Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing home.

(d) Providing differential treatment on the basis of status with regard to public assistance.

(e) Discriminating in admissions, services offered, or room assignment on the basis of status with regard to public assistance *or refusal to purchase*

*special services*. Admissions discrimination shall include, but is not limited to:

(1) basing admissions decisions upon assurance by the applicant to the nursing home, or the applicant's guardian or conservator, that the applicant is neither eligible for nor will seek public assistance for payment of nursing home care costs; and

(2) engaging in preferential selection from waiting lists based on an applicant's ability to pay privately *or an applicant's refusal to pay for a special service*.

The collection and use by a nursing home of financial information of any applicant pursuant to the preadmission screening program established by section 256B.091 shall not raise an inference that the nursing home is utilizing that information for any purpose prohibited by this paragraph.

(f) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any amount based on utilization or service levels or any portion of the vendor's fee to the nursing home except as payment for renting or leasing space or equipment or purchasing support services from the nursing home as limited by section 256B.433. All agreements must be disclosed to the commissioner upon request of the commissioner. Nursing homes and vendors of ancillary services that are found to be in violation of this provision shall each be subject to an action by the state of Minnesota or any of its subdivisions or agencies for treble civil damages on the portion of the fee in excess of that allowed by this provision and section 256B.433. Damages awarded must include three times the excess payments together with costs and disbursements including reasonable attorney's fees or their equivalent.

(g) Refusing, for more than 24 hours, to accept a resident returning to the same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

The prohibitions set forth in clause (b) shall not apply to a retirement home with more than 325 beds including at least 150 licensed nursing home beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) accounts for all of the applicant's assets which are required to be assigned to the home so that only expenses for the cost of care of the applicant may be charged against the account; and

(3) agrees in writing at the time of admission to the home to permit the applicant, or the applicant's guardian, or conservator, to examine the records relating to the applicant's account upon request, and to receive an audited statement of the expenditures charged against the applicant's individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the applicant to withdraw from the home at any time and to receive, upon withdrawal, the balance of the applicant's individual account.

For a period not to exceed 180 days, the commissioner may continue to make medical assistance payments to a nursing home or boarding care



home which is in violation of this section if extreme hardship to the residents would result. In these cases the commissioner shall issue an order requiring the nursing home to correct the violation. The nursing home shall have 20 days from its receipt of the order to correct the violation. If the violation is not corrected within the 20-day period the commissioner may reduce the payment rate to the nursing home by up to 20 percent. The amount of the payment rate reduction shall be related to the severity of the violation, and shall remain in effect until the violation is corrected. The nursing home or boarding care home may appeal the commissioner's action pursuant to the provisions of chapter 14 pertaining to contested cases. An appeal shall be considered timely if written notice of appeal is received by the commissioner within 20 days of notice of the commissioner's proposed action.

In the event that the commissioner determines that a nursing home is not eligible for reimbursement for a resident who is eligible for medical assistance, the commissioner may authorize the nursing home to receive reimbursement on a temporary basis until the resident can be relocated to a participating nursing home.

Certified beds in facilities which do not allow medical assistance intake on July 1, 1984, or after shall be deemed to be decertified for purposes of section 144A.071 only.

Sec. 53. Minnesota Statutes 1988, section 256B.48, subdivision 6, is amended to read:

Subd. 6. [MEDICARE CERTIFICATION.] All nursing homes certified as skilled nursing facilities under the medical assistance program shall *fully* participate in medicare part A and part B unless, after submitting an application, medicare certification is denied by the federal health care financing administration. "*Fully participate*" means all the nursing home's beds certified as skilled under the medical assistance program are Medicare certified. Medicare review shall be conducted at the time of the annual medical assistance review. Charges for medicare-covered services provided to residents who are simultaneously eligible for medical assistance and medicare must be billed to medicare part A or part B before billing medical assistance. Medical assistance may be billed only for charges not reimbursed by medicare.

Until September 30, 1987, the commissioner of health may grant exceptions from this requirement when a nursing home submits a written request for exception and it is determined that there is sufficient participation in the medicare program to meet the needs of medicare beneficiaries in that region of the state. For the purposes of this section, the relevant region is the county in which the nursing home is located together with contiguous Minnesota counties. There is sufficient participation in the medicare program in a particular region when the proportion of skilled resident days paid by the medicare program is at least equal to the national average based on the most recent figure that can be supplied by the federal health care financing administration. A nursing home that is granted an exception under this subdivision must give appropriate notice to all applicants for admission that medicare coverage is not available in the nursing home and publish this fact in all literature and advertisement related to the nursing home.

Sec. 54. Minnesota Statutes 1988, section 256B.48, subdivision 8, is amended to read:

Subd. 8. [NOTIFICATION TO A SPOUSE.] When a private pay resident

who has not yet been screened by the preadmission screening team is admitted to a nursing home or boarding care facility, the nursing home or boarding care facility must notify the resident and the resident's spouse of the following:

(1) their right to retain certain resources under sections 256B.14, subdivision 2, and 256B.17; and

(2) that the federal Medicare hospital insurance benefits program covers posthospital extended care services in a qualified skilled nursing facility for up to ~~400~~ 150 days and that there are several limitations on this benefit. The resident and the resident's family must be informed about all mechanisms to appeal limitations imposed under this federal benefit program.

This notice may be included in the nursing home's or boarding care facility's admission agreement and must clearly explain what resources the resident and spouse may retain if the resident applies for medical assistance. The department of human services must notify nursing homes and boarding care facilities of changes in the determination of medical assistance eligibility that relate to resources retained by a resident and the resident's spouse.

The preadmission screening team has primary responsibility for informing all private pay applicants to a nursing home or boarding care facility of the resources the resident and spouse may retain.

**Sec. 55. [256B.495] [LONG-TERM CARE RECEIVERSHIP FEES.]**

*Subdivision 1. [PAYMENT OF RECEIVERSHIP FEES.] The commissioner in consultation with the commissioner of health may establish a receivership fee payment that exceeds a long-term care facility payment rate when the commissioner of health determines a long-term care facility is subject to the receivership provisions under section 144A.14 or 144A.15 or the commissioner of human services determines that a facility is subject to the receivership under section 245A.12 or 245A.13. In establishing the receivership fee payment, the commissioner must reduce the receiver's requested receivership fee by amounts that the commissioner determines are included in the long-term care facility's payment rate and that can be used to cover part or all of the receivership fee. Amounts that can be used to reduce the receivership fee shall be determined by reallocating facility staff or costs that were formerly paid by the long-term care facility before the receivership and are no longer required to be paid. The amounts may include any efficiency incentive, allowance, and other amounts not specifically required to be paid for expenditures of the long-term care facility.*

*If the receivership fee cannot be covered by amounts in the long-term care facility's payment rate, a receivership fee payment shall be set according to paragraphs (a) and (b) and payment shall be according to paragraphs (c) to (e).*

*(a) The receivership fee per diem shall be determined by dividing the annual receivership fee payment by the long-term care facility's resident days from the most recent cost report for which the commissioner has established a payment rate or the estimated resident days in the projected receivership fee period.*

*(b) The receivership fee per diem shall be added to the long-term care facility's payment rate.*

*(c) Notification of the payment rate increase must meet the requirements*

of section 256B.47, subdivision 2.

(d) *The payment rate in paragraph (b) for a nursing home shall be effective the first day of the month following the receiver's compliance with the notice conditions in paragraph (c). The payment rate in paragraph (b) for an intermediate care facility for the mentally retarded shall be effective on the first day of the rate year in which the receivership fee per diem is determined.*

(e) *The commissioner may elect to make a lump sum payment of a portion of the receivership fee to the receiver. In this case, the commissioner and the receiver shall agree to a repayment plan. Regardless of whether the commissioner makes a lump sum payment under this paragraph, the provisions of paragraphs (a) to (d) and subdivision 2 also apply.*

**Subd. 2. [DEDUCTION OF RECEIVERSHIP FEE PAYMENTS UPON TERMINATION OF RECEIVERSHIP.]** *If the commissioner has established a receivership fee per diem for a long-term care facility in receivership, the commissioner must deduct the receivership fee payments according to paragraphs (a) to (c).*

(a) *The total receivership fee payments shall be the receivership fee per diem multiplied by the number of resident days for the period of the receivership fee payments. If actual resident days for the receivership fee payment period are not made available within two weeks of the commissioner's written request, the commissioner shall compute the resident days by prorating the facility's resident days based on the number of calendar days from each portion of the long-term care facility's reporting years covered by the receivership period.*

(b) *The amount determined in paragraph (a) must be divided by the long-term care facility's resident days for the reporting year in which the receivership period ends.*

(c) *The per diem amount in paragraph (b) shall be subtracted from the long-term care facility's operating cost payment rate for the rate year following the reporting year in which the receivership period ends.*

**Subd. 3. [REESTABLISHMENT OF RECEIVERSHIP FEE PAYMENT.]** *The commissioner of health may request the commissioner to reestablish the receivership fee payment when the original terms of the receivership fee payment have significantly changed with regard to the cost or duration of the receivership agreement. The commissioner, in consultation with the commissioner of health, may reestablish the receivership fee payment when the commissioner determines the cost or duration of the receivership agreement has significantly changed. The provisions of developing a receivership fee payment in subdivisions 1 and 2 apply to the reestablishment process.*

**Sec. 56. [STUDY OF NURSING HOME WORKERS' COMPENSATION COSTS.]**

*The commissioner of human services, in consultation with an advisory committee, shall study workers' compensation costs of nursing homes and make recommendations to the legislature by January 1, 1990, regarding changes to the nursing home rate system that will ensure adequate reimbursement to cover workers' compensation costs without reducing incentives for nursing homes to control costs by taking action to reduce the risk of work-related injuries to employees.*

**Sec. 57. [STUDY AND REPORT OF QUALITY INDICATORS.]**

*(a) The interagency board for quality assurance shall study the following issues and report to the legislature by November 1, 1990, on its findings and recommendations:*

*(1) identifying indicators of high quality long-term care service provided in Minnesota nursing homes and boarding care homes; and*

*(2) establishing a program of incentive payments to reward nursing facilities that provide the highest quality care to residents.*

*(b) A study advisory committee consisting of nursing home consumers and representatives of the nursing home industry must be appointed by the executive director of the interagency board for quality assurance to participate in the study process.*

Sec. 58. [APPROPRIATION.]

*\$500,000 is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1991, for the increased costs of exceptions to the moratorium on licensure and certification of long-term care beds. The commissioner of health may license or certify beds through the exception review process, provided the projected total annual increased state medical assistance costs of all licenses or certifications granted during the biennium under any exception to the moratorium do not exceed an annual amount of \$500,000.*

Sec. 59. [REPEALER.]

*Minnesota Statutes 1988, section 144A.10, subdivision 4a, is repealed. Laws 1988, chapter 689, article 2, section 269, subdivision 4, is repealed. Minnesota Statutes 1988, section 144A.61, subdivision 6, is repealed effective January 1, 1990.*

Sec. 60. [EFFECTIVE DATE.]

*The change in section 8 involving Minnesota Statutes 1988, section 144A.04, subdivision 7, paragraph (a), is effective October 1, 1989. Sections 32 and 33 are effective July 1, 1990."*

Delete the title and insert:

"A bill for an act relating to health and human services; revising methods of regulating and determining payment rates for nursing homes; amending Minnesota Statutes 1988, sections 144.50, by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144A.01, by adding subdivisions; 144A.04, subdivision 7, and by adding subdivisions; 144A.071, subdivision 3; 144A.073, subdivision 1; 144A.10, subdivisions 5, 6a, and by adding subdivisions; 144A.11, subdivision 3, and by adding a subdivision; 144A.12, subdivision 1; 144A.15, subdivision 1, and by adding subdivisions; 144A.61; 144A.611; 256B.0625, subdivision 2; 256B.091, subdivision 3; 256B.25, by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2c, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; and 256B.48, subdivisions 1, 6, and 8; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; and 256B; repealing Minnesota Statutes 1988, sections 144A.10, subdivision 4a; 144A.61, subdivision 6; and Laws 1988, chapter 689, article 2, section 269, subdivision 4."

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

H.F. No. 508: A bill for an act relating to local government; permitting statutory cities to have seven member councils; amending Minnesota Statutes 1988, sections 412.02, subdivision 1, and by adding a subdivision; 412.021, subdivision 2; 412.191, subdivisions 1 and 2; 412.541, subdivision 4; 412.571, subdivisions 1 and 4; 412.581; and 412.631.

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

H.F. No. 937: A bill for an act relating to commerce; uniform commercial code; providing a 20-day notice period for certain fixture filings; amending Minnesota Statutes 1988, section 336.9-313.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 1051, 911, 786, 1071, 829, 986, 694, 321, 624, 682, 535, 851, 735, 676, 1037 and 1016 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 508 and 937 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Dahl moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 27. The motion prevailed.

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

Mr. Dahl moved that the name of Mr. Marty be added as a co-author to S.F. No. 641. The motion prevailed.

Mr. Frank moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 694. The motion prevailed.

Mr. Marty moved that the name of Mr. Dahl be added as a co-author to S.F. No. 970. The motion prevailed.

Mr. Frank moved that the name of Mr. Diessner be added as a co-author to S.F. No. 1144. The motion prevailed.

Mr. Diessner moved that the names of Mrs. Lantry and Mr. Berg be added as co-authors to S.F. No. 1269. The motion prevailed.

Mr. Frank moved that the name of Ms. Piper be added as a co-author to S.F. No. 1270. The motion prevailed.

Mr. Metzen moved that the name of Ms. Peterson, D.C. be added as a co-author to S.F. No. 1295. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Frederick be added as a co-author to S.F. No. 1303. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mrs. Lantry be added as a co-author to S.F. No. 1322. The motion prevailed.

Mr. Pehler moved that the name of Mr. Bertram be added as a co-author to Senate Resolution No. 84. The motion prevailed.

Messrs. Bertram and Berg introduced—

Senate Resolution No. 85: A Senate resolution commending Arnold Atchison for over 40 years of dedicated service to the Veterans of Foreign Wars of the United States, Mel Simonson Post No. 1403.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—

Senate Resolution No. 86: A Senate resolution congratulating the Trojets Danceline of Wayzata High School for winning First Place in the 1989 State High School Class AAA Danceline Competition.

Referred to the Committee on Rules and Administration.

Messrs. Ramstad and McGowan introduced—

Senate Resolution No. 87: A Senate resolution congratulating the Wayzata High School Boys Basketball Team for winning the Lake Blue Conference Championship.

Referred to the Committee on Rules and Administration.

Ms. Reichgott, Messrs. Ramstad and McGowan introduced—

Senate Resolution No. 88: A Senate resolution congratulating the Robbinsdale Armstrong High School Boys Basketball Team for their second-place finish in the 1989 Class AA State High School Boys Basketball Championship.

Referred to the Committee on Rules and Administration.

Ms. Reichgott and Mr. Ramstad introduced—

Senate Resolution No. 89: A Senate resolution congratulating Plymouth resident Jill ReNee Scheffert for being named first runner-up at the 1989 Miss USA pageant.

Referred to the Committee on Rules and Administration.

Mr. DeCramer introduced—

Senate Resolution No. 90: A Senate resolution congratulating the Russell-Tyler-Ruthon Boys Basketball Team for winning Second Place in the 1989 State High School Class A Boys Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Diessner introduced—

Senate Resolution No. 91: A Senate resolution congratulating the Parkers Hockey Club for winning their tenth State Senior "A" Hockey Championship.

Referred to the Committee on Rules and Administration.

Mr. Diessner introduced—

Senate Resolution No. 92: A Senate resolution congratulating the St. Paul Park VFW Post 4450 Women's Volleyball Team for winning the State Class "C" Volleyball Championship.

Referred to the Committee on Rules and Administration.

Mr. Diessner introduced—

Senate Resolution No. 93: A Senate resolution congratulating the Cottage Grove "A" Pee Wee Hockey Team for winning the 1988-1989 State "A" Pee Wee Championship.

Referred to the Committee on Rules and Administration.

Mr. Frederick introduced—

Senate Resolution No. 94: A Senate resolution congratulating Nicole (Nickie) Miller, of Owatonna, for winning the 1989 State High School Girls Class AA Gymnastics Individual Floor Exercise Championship.

Referred to the Committee on Rules and Administration.

Ms. Berglin moved that her name be stricken as chief author, shown as a co-author and the name of Mrs. Lantry be added as chief author to S.F. No. 727. 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. No. 717 and H.F. No. 106, which the committee recommends to pass.

S.F. No. 69, which the committee recommends to pass, subject to the following motions:

Mr. Knaak moved to amend S.F. No. 69 as follows:

Page 1, line 9, delete "*Subdivision 1. [CURRICULAR ACTIVITY.]*" and insert "*Reasonable efforts must be made by*" and delete "*public*" and after "*school*" insert "*district to accommodate any*"

Page 1, line 10, delete the comma

Page 1, line 11, delete everything before "*for*" and delete "*must be*" and insert a period

Page 1, delete lines 12 to 23 and insert:

"Sec. 2. [SCHOOL DISTRICT POLICIES.]

*School districts shall develop policies in conformity with section 1 by September 1, 1989.*"

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "requiring a school district to make reasonable efforts to accommodate a pupil who

wishes to be”

Mr. Peterson, R.W. moved to amend the Knaak amendment to S.F. No. 69 as follows:

Page 1, line 9, delete “and insert:”

Page 1, delete lines 10 to 12

The motion prevailed. So the amendment to the Knaak amendment was adopted.

The question recurred on the Knaak amendment, as amended. The motion prevailed. So the amendment, as amended, 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.

Mr. Knaak, Mrs. Adkins, Mr. Laidig and Mrs. Pariseau introduced—

S.F. No. 1330: A bill for an act relating to marriage dissolution; regulating child support, maintenance and property settlements; providing for mediation; amending Minnesota Statutes 1988, sections 518.175, subdivision 3, and by adding subdivisions; 518.18; 518.55, by adding a subdivision; 518.551, subdivisions 5 and 6; 518.552, by adding a subdivision; 518.57, by adding a subdivision; 518.619, by adding a subdivision; 518.62; 518.64, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1988, sections 518.17, subdivisions 2 and 6; and 518.552, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 1331: A bill for an act relating to Itasca county; authorizing a petition to annex unorganized territory to the town of Spang to be signed by residents of the town.

Referred to the Committee on Local and Urban Government.

Messrs. Stumpf, Davis, Berg and Lessard introduced—

S.F. No. 1332: A bill for an act relating to agriculture; increasing the value for destroyed livestock; amending Minnesota Statutes 1988, section 3.737, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Novak, Frank and Dahl introduced—

S.F. No. 1333: A bill for an act relating to intoxicating liquor; authorizing the city of Blaine to issue one additional on-sale license.

Referred to the Committee on Commerce.



Mr. Frank introduced—

S.F. No. 1334: A bill for an act relating to housing; requiring that proceeds from the sale of abandoned and escheated property be allocated to the housing trust fund account; amending Minnesota Statutes 1988, sections 11A.10, subdivision 2; 94.16, by adding a subdivision; 290.067, subdivision 4; 345.48, subdivision 1; 345.49, subdivision 2; 462A.201, subdivision 1; 525.161; and 525.841.

Referred to the Committee on Economic Development and Housing.

Messrs. Davis, Morse, Benson, Bertram and Stumpf introduced—

S.F. No. 1335: A bill for an act relating to taxation; property taxation; modifying the method of determining certain adjusted assessed value; modifying the method of determining agricultural market value for property tax purposes; amending Minnesota Statutes 1988, sections 124.2131, subdivision 1; and 273.11, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1988, section 273.11, subdivision 10.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kroening introduced—

S.F. No. 1336: A bill for an act relating to public employment; modifying the prohibition against bargaining certain retirement contributions; amending Minnesota Statutes 1988, sections 179A.03, subdivision 19, and by adding a subdivision; and 356.24.

Referred to the Committee on Governmental Operations.

Mr. Knutson introduced—

S.F. No. 1337: A bill for an act relating to consumer protection; prohibiting certain solicitations to enter into loan arrangements; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Commerce.

Mr. Purfeerst, Mrs. Lantry, Messrs. Frederick and Schmitz introduced—

S.F. No. 1338: A bill for an act relating to highways; authorizing the commissioner of transportation to establish the speed limit on marked interstate highway 35E; amending Minnesota Statutes 1988, section 161.1245, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Schmitz and Metzen introduced—

S.F. No. 1339: A bill for an act relating to drivers' licenses; appropriating money to the commissioner of public safety to improve driver license security and legibility.

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

Mr. Bertram introduced—

S.F. No. 1340: A bill for an act relating to state lands; authorizing private conveyance of certain tax-forfeited land in Benton county.

Referred to the Committee on Environment and Natural Resources.

Mr. Mehrkens introduced—

S.F. No. 1341: A bill for an act relating to Goodhue county; permitting the county to establish certain payment procedures.

Referred to the Committee on Local and Urban Government.

Messrs. Bertram, Chmielewski and Waldorf introduced—

S.F. No. 1342: A bill for an act relating to health; appropriating money for a grant for pregnancy assistance services.

Referred to the Committee on Health and Human Services.

Messrs. Decker, Pehler, Ms. Olson and Mrs. Brataas introduced—

S.F. No. 1343: A bill for an act relating to education; providing a temporary funding adjustment to the state university board.

Referred to the Committee on Education.

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

S.F. No. 1344: A bill for an act relating to utilities; including wholesale electric cooperative associations under the definition of public utility for purposes of regulation by the state; amending Minnesota Statutes 1988, section 216B.02, subdivision 4.

Referred to the Committee on Public Utilities and Energy.

Mrs. McQuaid and Mr. Metzen introduced—

S.F. No. 1345: A bill for an act relating to motor vehicles; allowing special veterans license plates to be issued for self-propelled recreational equipment; amending Minnesota Statutes 1988, section 168.123, subdivision 1.

Referred to the Committee on Transportation.

Ms. Olson, Mrs. McQuaid and Mr. Ramstad introduced—

S.F. No. 1346: A bill for an act relating to retirement; Minnetonka volunteer firefighters relief association; authorizing a greater nonforfeitable percentage of accrued service pension with less than 20 years of service.

Referred to the Committee on Governmental Operations.

Messrs. Brandl and Ramstad introduced—

S.F. No. 1347: A bill for an act relating to Hennepin county; providing for a chief administrative deputy sheriff in the unclassified service; amending Minnesota Statutes 1988, section 383B.32, subdivision 2.

Referred to the Committee on Local and Urban Government.

Messrs. Benson, Decker, Mrs. Brataas, Messrs. Vickerman and Solon introduced—

S.F. No. 1348: A bill for an act relating to human services; establishing requirements for insurance and medical assistance payments for ambulance services; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Health and Human Services.

Mr. Larson introduced—

S.F. No. 1349: A bill for an act relating to state lands; authorizing conveyance of certain real property to the town of Round Lake.

Referred to the Committee on Environment and Natural Resources.

Messrs. Hughes, Pehler, Stumpf and Ms. Olson introduced—

S.F. No. 1350: A bill for an act relating to education; changing education district laws; making education districts eligible to levy and receive aid for general education, community education, early childhood family education, limited English proficiency programs, secondary vocational handicapped programs, and special education; providing for a variance from education district formation requirements; adjusting education district revenue if a member district withdraws; changing requirements for education district board members; allowing member districts to discontinue grades; requiring a common calendar; requiring a five-year plan; specifying minimum community education revenue and early childhood family education revenue for qualifying education districts; prohibiting member school districts and qualifying education districts from receiving revenue for the same programs except special education; allowing qualifying education districts to increase general education levy through a referendum; allowing intermediate districts to levy for special education; capping the interdistrict cooperation levy; amending Minnesota Statutes 1988, sections 121.88; 121.882; 122.91; 122.92; 122.93, by adding subdivisions; 122.94, subdivision 1, and by adding a subdivision; 122.95, by adding a subdivision; 123.34, subdivision 9; 124.17, subdivision 1b; 124.26; 124.271, subdivisions 3, 4, 7, and by adding subdivisions; 124.2711; 124.2721; 124.273; 124.32; 124.574; 124A.22; 124A.23; 124A.24; 124A.26; 124A.27; 124A.28, subdivisions 2 and 3; 124A.29; 275.125, subdivisions 8, 8b, 8c, and 8e; proposing coding for new law in Minnesota Statutes, chapters 122; 124A; and 275; repealing Minnesota Statutes 1988, section 124.271, subdivision 2b; and 124A.22, subdivision 7.

Referred to the Committee on Education.

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

S.F. No. 1351: A bill for an act relating to traffic regulations; defining a handicapped person for purposes of parking privileges; amending Minnesota Statutes 1988, section 169.345, subdivision 2.

Referred to the Committee on Transportation.

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

S.F. No. 1352: A bill for an act relating to the state patrol; appointment powers of the chief supervisor; amending Minnesota Statutes 1988, sections 299D.01, subdivisions 2 and 3; and 299D.03, subdivision 12.

Referred to the Committee on Governmental Operations.

Mrs. Adkins and Mr. Davis introduced—

S.F. No. 1353: A bill for an act relating to education; modifying transportation formula provisions; amending Minnesota Statutes 1988, sections 124.225; and 275.125, subdivisions 5, 5b, and 5c.

Referred to the Committee on Education.

Messrs. Dicklich; DeCramer; Johnson, D.J. and Davis introduced—

S.F. No. 1354: A bill for an act relating to education; making state revenue available to American Indian controlled contract schools on reservations; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Peterson, R.W.; Mrs. McQuaid, Messrs. Anderson and Metzen introduced—

S.F. No. 1355: A bill for an act relating to financial institutions; regulating charges and fees on loans and extensions of credit by financial institutions and others; making various internal reference changes; amending Minnesota Statutes 1988, sections 47.20, subdivision 2; 51A.02, subdivision 14; 51A.38, subdivision 3; 51A.385, subdivisions 4, 5, 6, 7, 8, 9, 12, and 13; 51A.50; 51A.51, subdivision 4; 51A.53; 51A.55, subdivisions 1 and 2; 51A.56; 51A.57; 56.131, subdivision 1; 168.72, subdivision 1; 168.73; and 507.45, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 47.

Referred to the Committee on Commerce.

Messrs. Chmielewski, Berg, Langseth, Mrs. Adkins and Mr. Gustafson introduced—

S.F. No. 1356: A bill for an act relating to workers' compensation; regulating compensation benefits; charging administrative costs of the workers' compensation system to the state's general fund; regulating vendors; regulating the workers' compensation court of appeals; regulating insurers; establishing a legal assistance pilot project program; appropriating money; amending Minnesota Statutes 1988, sections 15A.083, subdivision 7; 79.58, by adding a subdivision; 175A.01; 175A.02; 175A.05; 175A.07, subdivision 2; 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivision 3; 176.041, subdivision 4; 176.061, subdivision 10; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; 176.131, subdivisions 1, 1a, 2, 8, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.135, subdivision 5; 176.136, subdivisions 1 and 5; 176.179; 176.221, subdivision 6a; 176.645, subdivisions 1 and 2;

176.66, subdivision 11; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1988, sections 176.011, subdivision 26; 176.101, subdivisions 3a to 3u, and 6; and 176.111, subdivision 8a.

Referred to the Committee on Employment.

Mr. Novak introduced—

S.F. No. 1357: A bill for an act relating to education; imposing educational conditions on juveniles to enroll in driver's education courses and to receive driver's permits and licenses; amending Minnesota Statutes 1988, sections 171.04; 171.05, by adding a subdivision; and 171.18; proposing coding for new law in Minnesota Statutes, chapters 126 and 171.

Referred to the Committee on Education.

Messrs. Moe, R.D.; Purfeerst and Frederickson, D.J. introduced—

S.F. No. 1358: A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; establishing a state advisory council on metropolitan airport planning; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Urban Government.

Messrs. Solon, Metzen, Samuelson, Freeman and Anderson introduced—

S.F. No. 1359: A bill for an act relating to commerce; regulating certain rentals of real property, membership camping practices, and subdivided land sales; amending Minnesota Statutes 1988, sections 82.18; 82.20, subdivision 13; 82A.02, subdivision 6; 83.20, by adding a subdivision; 83.30, subdivision 1; and 83.38, subdivisions 1 and 3.

Referred to the Committee on Commerce.

Messrs. Anderson, Laidig, McGowan, Storm and Mehrkens introduced—

S.F. No. 1360: A bill for an act relating to taxation; income; providing an exclusion for certain military pay; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 1361: A bill for an act relating to appropriations; appropriating money to the historical society for a grant.

Referred to the Committee on Finance.

Messrs. Marty, Pogemiller, Ms. Reichgott and Mr. DeCramer introduced—

S.F. No. 1362: A bill for an act relating to education; providing for model programs in adult vocational occupational literacy training; appropriating

money; proposing coding for new law in Minnesota Statutes, chapter 136C.

Referred to the Committee on Education.

Mr. Vickerman introduced—

S.F. No. 1363: A bill for an act relating to state parks; regulating the use of metal detectors in state parks; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

Messrs. Marty, Spear, Mses. Peterson, D.C. and Berglin introduced—

S.F. No. 1364: A bill for an act relating to human rights; requiring bias crime investigations; proposing coding for new law in Minnesota Statutes, chapter 363.

Referred to the Committee on Judiciary.

Messrs. Marty, Spear, Mses. Peterson, D.C. and Berglin introduced—

S.F. No. 1365: A bill for an act relating to human rights; requiring bias crime curriculum; proposing coding for new law in Minnesota Statutes, chapter 363.

Referred to the Committee on Judiciary.

Messrs. Marty, Spear, Mses. Peterson, D.C. and Berglin introduced—

S.F. No. 1366: A bill for an act relating to human rights; making harassment in certain cases an unfair discriminatory practice; amending Minnesota Statutes 1988, section 363.03, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Pehler, Dicklich, Frank and Mehrkens introduced—

S.F. No. 1367: A bill for an act relating to education; allowing school districts to consolidate on July 1 of any year; establishing aid for districts that consolidate; appropriating money; amending Minnesota Statutes 1988, section 122.23, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 1368: A bill for an act relating to education; vocational; clarifying powers and duties of the state board and state director of vocational technical education; making technical corrections; amending Minnesota Statutes 1988, sections 136C.04, subdivisions 1, 2, 6, 9, 10, 18, and by adding subdivisions; 136C.042, subdivision 2; 136C.05, by adding subdivisions; 136C.07, subdivision 4; 136C.08, subdivision 1; 136C.42, subdivision 1; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a and 1b; 354A.091, subdivision 1a; and 355.46, subdivision 3; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136C.21; 136C.211; 136C.212; 136.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, and

7; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29, subdivisions 3, 4, and 5; and 136C.33, subdivisions 1 and 2.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 1369: A bill for an act relating to state parks; special permits for handicapped users; amending Minnesota Statutes 1988, section 85.053, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

Mr. Pogemiller introduced—

S.F. No. 1370: A bill for an act relating to information management; clarifying authority of the office of information systems management over purchases of computers and related products by the state university board and the state board for community colleges; amending Minnesota Statutes 1988, sections 136.24, subdivision 1; and 136.622, subdivision 1.

Referred to the Committee on Governmental Operations.

Ms. Berglin and Mr. Samuelson introduced—

S.F. No. 1371: A bill for an act relating to human services; providing salary adjustments for semi-independent living services, day training and habilitation services, waived services, and intermediate care facilities for persons with mental retardation or related conditions; appropriating money; amending Minnesota Statutes 1988, sections 252.275, by adding a subdivision; 252.46, by adding a subdivision; and 256B.501, by adding subdivisions.

Referred to the Committee on Health and Human Services.

Messrs. Belanger, Schmitz and Mrs. McQuaid introduced—

S.F. No. 1372: A bill for an act relating to appropriations; appropriating money to upgrade a segment of county state-aid highway 18 in Hennepin county.

Referred to the Committee on Finance.

Mrs. McQuaid introduced—

S.F. No. 1373: A bill for an act relating to local government; authorizing the city of St. Louis Park to change the name of the housing and redevelopment authority; permitting the recording of certain deeds.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 1374: A bill for an act relating to education; requiring teachers to report unfair discriminatory practices by other teachers; providing that commission of an unfair discriminatory practice or failure to report may be grounds for discharge or demotion; amending Minnesota Statutes 1988, sections 125.12, subdivision 8; and 125.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Employment.

Mr. Spear introduced—

S.F. No. 1375: A bill for an act relating to public safety; alcohol assessment and treatment; allowing courts as a sentencing option to order criminal defendants into treatment upon certification to the local agency and the commissioner of human services; amending Minnesota Statutes 1988, section 169.126, by adding a subdivision; 254B.03, subdivision 1; 609.10; and 609.115, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 1376: A bill for an act relating to commerce; securities regulation; exempting certain over-the-counter securities from registration requirements; amending Minnesota Statutes 1988, section 80A.15, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Chmielewski, Lessard, Davis, Merriam and Frederickson, D.R. introduced—

S.F. No. 1377: A bill for an act relating to wild rice; clarifying requirements on packaging and labeling; requiring disclosure of origin; authorizing the construction of a greenhouse facility for the study of wild rice; providing technical assistance for marketing; appropriating money; amending Minnesota Statutes 1988, section 30.49.

Referred to the Committee on Agriculture and Rural Development.

Mr. Berg introduced—

S.F. No. 1378: A bill for an act relating to animals; regulating use of certain prescription veterinary drugs; changing certain procedures for licensing veterinarians; amending Minnesota Statutes 1988, section 156.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 156.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Beckman; Decker; Frederickson, D.J. and Morse introduced—

S.F. No. 1379: A bill for an act relating to state government; authorizing the use of certain mechanical lifting devices in public buildings; amending Minnesota Statutes 1988, section 16B.61, subdivision 5.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller introduced—

S.F. No. 1380: A bill for an act relating to taxation; making technical corrections to provisions relating to hazardous substance sites and subdistricts; amending Minnesota Statutes 1988, sections 469.174, subdivisions 7 and 16; and 469.175, subdivision 7.

Referred to the Committee on Taxes and Tax Laws.



Messrs. Pogemiller, Freeman and Samuelson introduced—

S.F. No. 1381: A bill for an act relating to jobs and training and human services; creating a coordinating committee to oversee implementation of the inventory, referral, and intake system; authorizing the committee to enter into contracts and commit department resources; requiring a report; appropriating money.

Referred to the Committee on Finance.

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

S.F. No. 1382: A bill for an act relating to controlled substances; requiring the development of guidelines for county pilot programs in urine testing of drug offenders during probation; establishing an office of drug policy in the department of public safety; providing for a director and other employees; requiring the director to develop a state drug strategy; providing for the coordination of drug enforcement, prevention, education, treatment, and rehabilitation programs; establishing an assistance program for school drug resistance education programs; requiring a chemical use assessment of persons convicted of controlled substance felonies; establishing an inter-jurisdictional task force on incarceration; establishing a drug prevention council; appropriating money; amending Minnesota Statutes 1988, section 609.115, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 241 and 299A.

Referred to the Committee on Judiciary.

Mr. Moe, D.M. introduced—

S.F. No. 1383: A bill for an act relating to state government; creating a small business procurements commission to study recent United States Supreme Court decisions and their effect on certain programs; suspending certain requirements relating to procurements from socially and economically disadvantaged businesses during the study; appropriating money; amending Minnesota Statutes 1988, sections 16B.189; 16B.19, subdivisions 2, 4, 5, and 6; 16B.21, subdivision 2; 16B.22; 116J.68, subdivision 1; 136.27; 136.72; 137.31, subdivision 3; 161.321, subdivisions 2, 3, and 6; 241.27, subdivision 2; 471.345, subdivision 8; 473.142; 473.406, subdivisions 1, 2, 4, 5, and 6; and 645.445, subdivision 5.

Referred to the Committee on Governmental Operations.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

### 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 House File No. 214, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 214 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 3, 1989

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 214**

A bill for an act relating to taxation; making technical corrections and clarifications to individual income and corporate franchise taxes; updating references to the Internal Revenue Code; imposing a tax and providing for withholding of certain payments to nonresidents; requiring surety payment by out-of-state contractors; amending Minnesota Statutes 1988, sections 290.01, subdivisions 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 19f; 290.06, subdivision 22; 290.067, subdivision 1; 290.0802, subdivisions 1 and 2; 290.095, subdivision 9; 290.17, subdivisions 1 and 2; 290.311, subdivision 1; 290.92, by adding subdivisions; and 291.005, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1988, section 290.01, subdivision 6a.

March 29, 1989

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. 214, 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. 214 be further amended as follows:

Page 4, line 36, reinstate the stricken "and"

Page 5, lines 3 to 12, delete the new language and reinstate the stricken language

Page 15, after line 23, insert:

"Sec. 10. Minnesota Statutes 1988, 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:

if taxable income is:	the tax is:
not over \$19,000	6 percent
over \$19,000	\$1,140 plus 8 percent of the excess over \$19,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$75,500, but not over \$165,000	0.5 percent of the excess over \$75,500
over \$165,000	\$447.50.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income.

except that the income brackets will be one-half of the above amounts. *In the case of married individuals filing separately, the additional 0.5 percent tax provided in this subdivision shall be applied to taxable income over \$37,750, but not over \$127,500.*

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$13,000	6 percent
over \$13,000	\$780 plus 8 percent of the excess over \$13,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$42,700, but not over \$93,000	0.5 percent of the excess over \$42,700
over \$93,000	\$251.50.

(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, 1987, must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$16,000	6 percent
over \$16,000	\$960 plus 8 percent of the excess over \$16,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$64,300, but not over \$135,000	0.5 percent of the excess over \$64,300
over \$135,000	\$353.50.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1987, 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, 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."

Page 25, line 2, after "tax" insert "*withheld under this subdivision*"

Page 27, line 35, delete "or" and insert a comma and after "3," insert "*or 28,*"

Page 29, line 21, delete the second "in" and insert "*at any time during*"

Page 32, line 14, delete "17" and insert "18"

Page 32, line 16, delete "18 to 20" and insert "19 to 21" and delete "21" and insert "22"

Page 32, line 18, delete "22" and insert "23"

Page 32, line 20, delete "16" and insert "17"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete the first "subdivision" and insert "subdivisions 2c and"

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

House Conferees: (Signed) Dee Long, Alan W. Welle, William H. Schreiber

Senate Conferees: (Signed) Douglas J. Johnson, Lawrence J. Pogemiller, William V. Belanger

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 214 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. 214 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Merriam	Ramstad
Anderson	Decker	Knutson	Metzen	Reichgott
Beckman	DeCramer	Laidig	Moe, R. D.	Renneke
Belanger	Diessner	Langseth	Morse	Schmitz
Benson	Frank	Lantry	Novak	Spear
Berg	Frederick	Lessard	Oison	Storm
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Stumpf
Bertram	Frederickson, D.R.	Marty	Pehler	Taylor
Brandl	Freeman	McGowan	Peterson, R.W.	Vickerman
Cohen	Hughes	McQuaid	Piper	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 6, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, April 6, 1989

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

Prayer was offered by the Chaplain, Rev. Fred Stroebel.

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

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

Messrs. Langseth and Moe, R.D. were excused from the Session of today. Mr. Lessard was excused from the Session of today at 2:35 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 4, 1989

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. 25.

Sincerely,  
Rudy Perpich, Governor

April 5, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
25		19	1403 hours April 4	April 4
	27	20	1402 hours April 4	April 4
	14	21	1401 hours April 4	April 4

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, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 227: A bill for an act relating to health; enacting the uniform determination of death act; proposing coding for new law in Minnesota Statutes, chapter 145.

Senate File No. 227 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1989

Mr. Luther moved that S.F. No. 227 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. 707, 770, 489, 520 and 1056.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 3, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 707: A bill for an act relating to horse racing; allowing a licensed racetrack to conduct pari-mutuel betting on televised races on days when races are not conducted at the licensed racetrack; allowing the licensed racetrack to commingle pari-mutuel pools with the sending racetrack; amending Minnesota Statutes 1988, sections 240.01, subdivision 10, and by adding a subdivision; 240.10; 240.13, subdivisions 1, 3, 6, and by adding a subdivision; 240.14, by adding a subdivision; and 240.29.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 588, now on General Orders.

H.F. No. 770: A bill for an act relating to state lands; directing conveyance of a certain tract in Beltrami county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 740, now on General Orders.

H.F. No. 489: A bill for an act relating to employment; regulating fair share fees, unfair labor practices, arbitration procedures and grievance procedures; amending Minnesota Statutes 1988, sections 179.02, by adding a subdivision; 179A.03, subdivision 7; 179A.05, subdivision 6; 179A.06, subdivision 3; 179A.13, subdivision 1; 179A.14, subdivision 1; 179A.16, subdivisions 1, 2, 3, and 4; and 179A.20, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1260.

H.F. No. 520: A bill for an act relating to state government; permitting additional types of payroll deductions for state employees; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Governmental Operations.

H.F. No. 1056: A bill for an act relating to utilities; regulating noncompetitive and competitive telephone services; amending Minnesota Statutes 1988, sections 237.07; 237.081; 237.295, subdivisions 1 and 2; 237.57, subdivision 1; 237.58, subdivision 1; 237.59, subdivisions 1, 2, 3, and 6; 237.60, subdivisions 1 and 2; 237.62, subdivisions 1 and 2, and by adding a subdivision; 237.63, subdivision 1, and by adding subdivisions; and 237.64, subdivisions 1 and 2; Laws 1987, chapter 340, section 26; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1988, sections 237.075, subdivision 1a; and 237.081, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 901, now on General Orders.

## REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 262. The motion prevailed.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1060: A bill for an act relating to utilities; providing for assessment of costs related to certain certificate of need applications; proposing coding for new law in Minnesota Statutes, chapter 216B.

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. 1144: A bill for an act relating to Anoka county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

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. 500: A bill for an act relating to Olmsted county; exempting the county from operation of a public morgue.

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. 1106: A bill for an act relating to adoption; changing the minimum age at which an adopted person may request original birth certificate information; changing time periods during which birth parents may consent to disclosure; authorizing disclosure of information on the consenting parent when only one birth parent consents; amending Minnesota Statutes 1988, section 259.49, subdivisions 1, 2, and 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. 832: A bill for an act relating to employment; providing training and employment for low-income seniors; creating a hospitality host older worker tourism promotion program; prescribing duties for the commissioner of the department of jobs and training; proposing coding for new law in Minnesota Statutes, chapter 268.

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. 1270: A bill for an act relating to unemployment compensation; making various technical corrections; amending Minnesota Statutes 1988, sections 268.04, subdivisions 12 and 25; 268.06, subdivisions 1, 8a, and 28; 268.07, subdivisions 2 and 3; 268.09, subdivision 1; 268.10, subdivisions 1 and 2; 268.12, subdivision 12; 268.16, subdivision 4; 268.162, subdivision 1; 268.163, subdivision 1; and 268.165, subdivisions 1 and 2.

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. 856: A bill for an act relating to housing; expanding the Minnesota housing financing agency's shared housing program to include handicapped persons; authorizing the provision of technical assistance to sponsors; appropriating money; amending Minnesota Statutes 1988, section 462A.05, subdivision 24.

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

Page 1, line 9, delete "426A.05" and insert "462A.05"

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. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 526: A bill for an act relating to housing; establishing a home equity conversion loan counseling program for senior homeowners; appropriating money; 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 5, delete "and"

Page 2, line 6, delete the period and insert "; and

(5) review alternatives to home equity conversion loans."

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 re-referred

S.F. No. 119: A bill for an act relating to local government; authorizing towns to establish subordinate service districts; proposing coding for new law as Minnesota Statutes, chapter 365B.

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. 695: A bill for an act relating to education; requiring school boards to report certain teacher discharges and resignations to the board of teaching; providing for immunity from liability; amending Minnesota Statutes 1988, section 125.09, by adding subdivisions.

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

Page 1, line 17, delete "who" and insert "when a teacher is suspended or"

Page 1, line 20, after "discharge" insert ", suspension."

Page 2, line 5, after "*faith*" insert "*and with due care*"

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. 506: A bill for an act relating to gambling: creating a division of gaming enforcement; providing for its powers and duties; changing size and membership of charitable gambling control board; making changes in the manner in which charitable gambling is conducted; requiring audits; changing the requirement relating to distributors and manufacturers of gambling equipment; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 240.02, subdivision 1; 240.06, subdivision 3; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 349.11; 349.12, subdivisions 3, 11, 12, 13, 15, 17, 20, and by adding subdivisions: 349.15; 349.151; 349.16, subdivision 4; 349.161; 349.162; 349.163; 349.164; 349.17, subdivision 2a; 349.18, subdivision 1, and by adding a subdivision; 349.19, subdivisions 2, 3, 6, and by adding subdivisions: 349.20; 349.21; 349.212, subdivision 1, and by adding subdivisions: 349.2121, subdivisions 2 and 3; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 2; 349.214, subdivision 2; and 349.22, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 349; proposing coding for new law as Minnesota Statutes, chapter 299K; repealing Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.212, subdivisions 2 and 4; and 349.2121, subdivision 4.

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

Page 3, line 32, after "*the*" insert "*regulated business*" and delete everything after "*premises*" and insert ", *and may conduct the*"

Page 3, line 34, after the period, insert "*For purposes of this subdivision, 'regulated business premises' means premises where:*

(1) *lawful gambling is conducted by an organization licensed under chapter 349 or by an organization exempt from licensing under section 349.214;*

(2) *gambling equipment is manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under chapter 349;*

(3) *records required to be maintained under chapter 240, 349, or 349A are prepared or retained;*

(4) *lottery tickets are sold by a lottery retailer under chapter 340A; or*

(5) *races are conducted by a person licensed under chapter 240."*

Page 3, line 36, delete "*any*" and insert "*an*"

Page 4, line 14, after the third "*a*" insert "*gambling*"

Page 4, line 18, delete "*violates*" and insert "*is suspected of violating*"

Page 4, line 19, delete "*commits*" and insert "*is suspected of committing*"

Page 4, lines 28, 29, and 33, after "*of*" insert "*not more than*"

Page 4, line 35, after the first "*of*" insert "*not more than*"

Page 5, line 29, delete "any" and insert "*a direct or indirect financial*"

Page 6, after line 3, insert:

"Sec. 5. [299K.05] [GAMBLING VIOLATIONS; RESTRICTIONS ON FURTHER ACTIVITY.]

*An owner of an establishment is prohibited from having lawful gambling under chapter 349 conducted on the premises, selling any lottery tickets under chapter 349A, or having a video game of chance as defined under section 349.50 located on the premises, if a person was convicted of violating section 609.76, subdivision 1, clause (7), for an activity occurring on the owner's premises.*

Sec. 6. Minnesota Statutes 1988, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Whoever does any of the following may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

(1) maintains or operates a gambling place or operates a bucket shop;

(2) intentionally participates in the income of a gambling place or bucket shop;

(3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;

(4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;

(5) with intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 349.40; ~~or~~

(6) receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; *or*

*(7) pays any compensation for game credits earned on or otherwise rewards players of video games of chance as defined under section 349.50, subdivision 8."*

Page 6, line 5, delete "4" and insert "5" and after the period, insert "*Section 6 is effective July 1, 1989, and applies to crimes committed on or after that date.*"

Renumber the sections of article 1 in sequence

Page 32, delete lines 28 to 31 and insert:

*"(b) A person, other than a licensed distributor, a licensed organization, or an exempt organization under section 349.214, may not possess with the intent to sell, pull-tabs or tipboards that are stamped in accordance with the provisions of this chapter, except for pull-tabs or tipboards to be sold by a licensed or exempt organization."*

Page 34, line 36, delete the new language

Page 35, line 1, delete the new language and insert "*, or a combination of more than ten deals of pull-tabs or tipboards.*"

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "increasing the penalty for paying off on video games of chance;"

Page 1, line 22, delete "and"

Page 1, line 23, after the semicolon, insert "and 609.76, subdivision 1;"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1082: A bill for an act relating to administrative procedure; clarifying the applicability of the requirement that agencies consider the impact of proposed rules on small business; amending Minnesota Statutes 1988, section 14.115, subdivision 7.

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. 489: A bill for an act relating to human services; clarifying and expanding the duties of the ombudsman for older Minnesotans; appropriating money; amending Minnesota Statutes 1988, sections 256.974; 256.9741, subdivisions 3 and 5, and by adding a subdivision; 256.9742; 256.9744, subdivision 1; and 256.975, 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. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 773: A bill for an act relating to the city of Roseville; authorizing the city to use certain taxes to establish and operate a sports and recreation facility.

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

Page 1, delete lines 6 to 10 and insert:

"Section 1. [CITY OF ROSEVILLE; LODGING TAX.]

*The city of Roseville may impose a lodging tax of up to two percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more, located in the city. The tax shall be collected as provided in Minnesota Statutes, section 469.190, subdivision 7. The proceeds of the tax may be used to finance a sports and recreation facility. The sum of the rate of the tax imposed under this section and the tax imposed by the city of Roseville under Minnesota Statutes, section 469.190, shall not exceed three percent."*

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. Solon from the Committee on Commerce, to which was referred

S.F. No. 808: A bill for an act relating to credit unions; authorizing the elimination or limitation of a director's liability in certain circumstances; amending Minnesota Statutes 1988, section 52.09, by adding a subdivision.

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. 1302: A resolution memorializing the Board of Governors of the Federal Reserve Board to reject amendments to its rules that would govern permissible activities of state-chartered banks.

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. 789: A bill for an act relating to child care; amending certain provisions of the child care fund; amending provisions of the child care resource and referral grant program; amending provisions of the child care services grant program; amending Minnesota Statutes 1988, sections 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.07; 256H.08; 256H.09; 256H.10, subdivision 3, and by adding a subdivision; 256H.11; 256H.12; 256H.13; 256H.15; 256H.18; and 256H.20, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256H; repealing Minnesota Statutes 1988, sections 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 256H.04; 256H.05, subdivision 4; 256H.06; and 256H.07, subdivision 4.

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

Page 2, lines 12 and 25, delete "*federal reimbursement programs*" and insert "*other programs that provide federal reimbursement for child care services*"

Page 3, lines 31 and 32, delete "*federal reimbursement programs*" and insert "*programs that provide federal reimbursement for child care services*"

Page 3, line 36, delete "*federal*"

Page 4, line 1, delete "*reimbursement programs*" and insert "*programs that provide federal reimbursement for child care services*"

Page 4, lines 4 and 5, delete "*federal reimbursement programs*" and insert "*programs that provide federal reimbursement for child care services*"

Page 5, line 19, after "*recent*" insert "*census or*"

Page 5, line 22, delete "*caseloads of AFDC for the preceding*" and insert "*each county's portion of the AFDC caseload for the preceding state fiscal*"

Page 5, line 27, delete "*are*" and insert "*is*"

Page 6, line 1, delete "may" and insert "shall"

Page 6, line 2, delete "reimburse" and insert "pay"

Page 6, line 3, after "expenses" insert "on a reimbursement basis"

Page 6, delete lines 4 to 14 and insert:

*"Subd. 2b. [FUNDING PRIORITY.] (a) First priority for child care assistance under the basic sliding fee program must be given to eligible recipients who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. Priority for child care assistance under the basic sliding fee program must be given to non-AFDC families for this first priority unless a county can demonstrate that funds available in the AFDC child care program allocation are inadequate to serve all AFDC families needing child care services. Within this priority, the following subpriorities must be used:*

*(1) child care needs of minor parents;*

*(2) child care needs of parents under 21 years of age; and*

*(3) child care needs of other parents within the priority group described in this paragraph.*

*(b) Second priority must be given to all other parents who are eligible for the basic sliding fee program."*

Page 7, line 9, after "preceding" insert "state"

Page 7, line 11, strike "March" and insert "December"

Page 7, line 12, before "fiscal" insert "state"

Page 7, line 24, delete everything after "employment" and insert a period

Page 7, delete line 25

Page 7, line 26, delete the paragraph coding

Page 7, line 28, after the period, insert *"If a family meets the eligibility requirements of the AFDC child care program and the parent or legal guardian has an approved employability plan that meets the requirements of appropriate federal reimbursement programs, that family is eligible for child care assistance."*

Page 8, line 4, delete "are to" and insert "must"

Page 8, line 16, delete the new language and strike "for"

Page 8, line 17, delete "If a"

Page 8, delete lines 18 to 21

Page 9, delete lines 18 to 24

Page 10, line 10, after "funds" insert *"under an agreement between the commissioner of human services and the designated administering agency, using the sliding fee scale developed by the commissioner of human services"*

Page 10, line 13, strike "for"

Page 10, lines 14 and 15, delete the new language

Page 10, line 23, delete "a" and after "public" insert *"and private nonprofit"*

Page 11, line 23, strike "If by May 15 of any year" and delete "non-"

Page 11, lines 24 and 25, delete the new language and strike the old language

Page 11, line 26, strike "the money"

Page 11, line 27, strike "to the counties."

Page 15, line 4, before "The" insert "*The commissioner shall notify counties within 60 days of the date the plan is submitted whether the plan is approved or the corrections or information needed to approve the plan.*"

Page 15, line 33, after the stricken "money," insert "*Counties that have established a priority must submit the policy in the annual allocation plan.*"

Page 16, line 4, after the period, insert "*Counties may require a parent to sign a release stating their knowledge and responsibilities in choosing a legal provider described under section 256H.01, subdivision 12. When a county knows that a particular provider is unsafe, or that the circumstances of the child care arrangement chosen by the parent are unsafe, the county may deny a child care subsidy. A county may not restrict access to a general category of provider allowed under section 256H.01, subdivision 12.*"

Page 17, line 34, after "rate" insert "*in that county*"

Page 17, line 35, strike "in that county" and insert "*for all types of care, including special needs and handicapped care,*"

Page 19, line 11, delete "start-up" and insert "*start up*"

Page 20, line 14, strike "have" and insert "*make*"

Page 20, line 23, after "to" insert "*employers and*"

Page 20, line 24, strike "and employers"

Page 22, line 2, delete "and"

Page 22, line 3, after "provider" insert "*, or a person who meets the standards established by the state board of education*"

Page 22, line 9, after "facility" insert "*or a child care program under the jurisdiction of the state board of education*"

Page 22, lines 15 and 16, delete "*following receipt of state licensing by*" and insert "*after*"

Page 22, line 17, after "center" insert "*becomes licensed or satisfies standards of the state board of education*"

Page 23, line 6, delete "*a child care worker needs to*"

Page 23, line 7, after "requirements" insert "*or requirements of the state board of education*"

Page 23, line 35, delete "*that the number*"

Page 23, line 36, delete "*is*"

Page 24, line 3, delete "*that the number*"

Page 24, line 4, delete "*is*"

Page 24, delete lines 21 to 31 and insert:



*"Subd. 3. [REGIONAL GRANT REVIEW COMMITTEES.] In each development region with a regional development commission, the commission shall appoint a child care advisory committee under section 462.394. In each region with no regional development commission, each county in the region shall designate a representative to a regional child care advisory committee. People 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 committees shall review and make recommendations to the commissioner on applications for grants under this section. Committee members may be reimbursed for their actual travel expenses for up to six committee meetings per year. Regional committees shall complete their reviews and forward their recommendations to the commissioner by the date set under subdivision 1."*

Page 25, line 5, delete "counties must give"

Page 25, line 6, after "priority" insert "must be given"

Page 27, after line 3, insert:

*"Subd. 10. [ADVISORY TASK FORCE.] The commissioner shall convene a statewide advisory task force which shall advise the commissioner on grants and other child care issues. Each regional grant review committee formed under subdivision 3 shall appoint a representative to the advisory task force. The commissioner may convene meetings of the task force as needed but shall convene no fewer than six meetings per year. Terms of office and removal from office are governed by the appointing body. The commissioner may compensate members for their expenses of travel to meetings of the task force."*

Page 29, line 1, after the period, insert "The commissioner shall reimburse licensed child care providers for one-half of the direct cost of accreditation (upon successful completion of accreditation) and shall develop a short form and an abbreviated procedure for renewing the license of an accredited provider."

Page 29, line 4, delete "July 1, 1988" and insert "January 1, 1990"

Page 29, after line 28, insert:

"Sec. 26. [256H.26] [CHILD CARE INFORMATION SERVICE.]

*The commissioner shall establish, on a pilot project basis, a toll-free information service for child care providers, potential providers, and parents to assist callers to find existing child care services at the state or local level and to facilitate expansion and marketing of child care services. The telephone must be staffed during regular business hours to respond promptly to questions and concerns. The information and assistance must be made available free to all callers. The commissioner shall report to the legislature by January 1, 1991, on the effectiveness of this service and shall recommend how and by whom the operation should be administered. The commissioner shall consult with local resource and referral agencies, both public and private, in making its recommendations.*

Sec. 27. [APPROPRIATIONS.]

*For the biennium ending June 30, 1991, funds received by the commissioner in license fees for group day centers licensed under Minnesota Rules, parts 9503.0005 to 9503.0170, are reappropriated to the commissioner of human services for purposes of funding child care information services*

*under section 26."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, 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. 746: A bill for an act relating to human services; amending the comprehensive mental health act; establishing a mental health system for adults and for children; requiring case management; establishing mental health interagency coordinating councils; establishing task forces; allowing fees for mental health services; requiring family community support services and home-based family treatment; amending Minnesota Statutes 1988, sections 245.461; 245.462; 245.463, subdivision 2; 245.464; 245.465; 245.466, subdivisions 1, 2, 5, and 6; 245.467, subdivisions 3, 4, and 5; 245.468; 245.469; 245.470, subdivision 1; 245.472, subdivision 1, and by adding a subdivision; 245.473, subdivision 1; 245.474; 245.476, subdivisions 1 and 3, and by adding a subdivision; 245.477; 245.478, subdivisions 2 and 3; 245.479; 245.48; 245.482; 245.483; 245.484; 245.485; 245.486; 245.62, subdivisions 2, 3, and 4; 245.696, subdivision 2; 245.697, subdivision 2a; 245.713, subdivision 2; and 245.73, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1988, sections 245.462, subdivision 25; 245.471; 245.475; 245.61; 245.64; and 245.698.

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 1988, section 245.461, is amended to read:

245.461 [POLICY AND CITATION.]

Subdivision 1. [CITATION.] Sections 245.461 to 245.486 may be cited as the "Minnesota comprehensive *adult* mental health act."

Subd. 2. [MISSION STATEMENT.] The commissioner shall create and ensure a unified, accountable, comprehensive *adult* mental health service system that:

(1) recognizes the right of ~~people~~ *adults* with mental illness to control their own lives as fully as possible:

(2) promotes the independence and safety of ~~people~~ *adults* with mental illness;

(3) reduces chronicity of mental illness;

(4) ~~reduces~~ *eliminates* abuse of ~~people~~ *adults* with mental illness;

(5) provides services designed to:

(i) increase the level of functioning of ~~people~~ *adults* with mental illness or restore them to a previously held higher level of functioning;

- (ii) stabilize ~~individuals~~ *adults* with mental illness;
  - (iii) prevent the development and deepening of mental illness;
  - (iv) support and assist ~~individuals~~ *adults* in resolving ~~emotional~~ *mental health* problems that impede their functioning;
  - (v) promote higher and more satisfying levels of emotional functioning;  
and
  - (vi) promote sound mental health; and
- (6) provides a quality of service that is effective, efficient, appropriate, and consistent with contemporary professional standards in the field of mental health.

Subd. 3. [REPORT.] By February 15, 1988, and annually after that until February 15, 1990, the commissioner shall report to the legislature on all steps taken and recommendations for full implementation of sections 245.461 to 245.486 and on additional resources needed to further implement those sections.

Sec. 2. Minnesota Statutes 1988, section 245.462, is amended to read:  
245.462 [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] The definitions in this section apply to sections 245.461 to 245.486.

Subd. 2. [ACUTE CARE HOSPITAL INPATIENT TREATMENT.] "Acute care hospital inpatient treatment" means short-term medical, nursing, and psychosocial services provided in an acute care hospital licensed under chapter 144.

Subd. 3. [CASE MANAGEMENT ~~ACTIVITIES SERVICES.~~] "Case management ~~activities services~~" means activities that are coordinated with the community support services program as defined in subdivision 6 and are designed to help ~~people~~ *adults* with serious and persistent mental illness in gaining access to needed medical, social, educational, vocational, and other necessary services as they relate to the client's mental health needs. Case management ~~activities services~~ include developing a *functional assessment*, an individual community support plan, referring and assisting the person to *obtain* needed mental health and other services, ensuring coordination of services, and monitoring the delivery of services.

Subd. 4. [CASE MANAGER.] (a) "Case manager" means an individual employed by the county or other entity authorized by the county board to provide the case management ~~activities services~~ specified in ~~subdivision 3~~ and sections 245.471 and 245.475. A case manager must have 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~~ *adults* with mental illness, must be skilled in the process of identifying and assessing a wide range of client needs, and must be knowledgeable about local community resources and how to use those resources for the benefit of the client. The case manager shall meet in person with a mental health professional at least once each month to obtain clinical supervision of the case manager's activities. Case managers with a bachelor's degree but without 2,000 hours of supervised experience in the delivery of services to ~~persons~~ *adults* 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~~ *adults* 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.

*(b) Until June 30, 1991, a refugee who does not have the qualifications specified in this subdivision may provide case management services to adult refugees with serious and persistent mental illness who are members of the same ethnic group as the refugee case manager if the refugee:*

*(1) is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or a related field from an accredited college or university;*

*(2) completes 40 hours of training as specified in this subdivision; and*

*(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.*

*Subd. 4a. [CLINICAL SUPERVISION.] "Clinical supervision" means the oversight responsibility for individual treatment plans and individual service delivery, including that provided by the case manager. Clinical supervision must be accomplished by full- or part-time employment of or contracts with mental health professionals. Clinical supervision must be documented by the mental health professional cosigning individual treatment plans and by entries in the client's record regarding supervisory activities.*

*Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of human services.*

*Subd. 6. [COMMUNITY SUPPORT SERVICES PROGRAM.] "Community support services program" means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the clinical supervision of a mental health professional designed to help ~~people~~ *adults* with serious and persistent mental illness to function and remain in the community. A community support services program includes:*

*(1) client outreach,*

*(2) medication ~~management~~ monitoring,*

*(3) assistance in independent living skills,*

*(4) development of employability and ~~supportive work~~ work-related opportunities,*

*(5) crisis assistance,*

*(6) psychosocial rehabilitation,*

*(7) help in applying for government benefits, and*

*(8) the development, identification, and monitoring of living arrangements.*

*The community support services program must be coordinated with the case management ~~activities~~ services specified in ~~subdivision 3 and sections 245.474 and 245.475~~ section 245.4711.*

*Subd. 7. [COUNTY BOARD.] "County board" means the county board*

of commissioners or board established pursuant to the joint powers act, section 471.59, or the human services board act, sections 402.01 to 402.10.

Subd. 8. [DAY TREATMENT SERVICES.] "Day treatment services" means a structured program of intensive therapeutic and rehabilitative services at least one day a week for a minimum three-hour time block that is provided within a group setting by a multidisciplinary staff under the clinical supervision of a mental health professional. Day treatment services are not a part of inpatient or residential treatment services, but may be part of a community support services program." "day treatment services," or "day treatment program" means a structured program of treatment and care provided to an adult in: (1) an outpatient hospital accredited by the joint commission on accreditation of health organizations and licensed under sections 144.50 to 144.55; (2) a community mental health center under section 245.62; or (3) an entity that is under contract with the county board to operate a program that meets the requirements of section 245.4711, subdivision 7, and Minnesota Rules, parts 9505.0170 to 9505.0475. Day treatment consists of group psychotherapy and other intensive therapeutic services that are provided at least one day a week for a minimum three-hour time block by a multidisciplinary staff under the clinical supervision of a mental health professional. The purpose of the services is to stabilize the adult's mental health status and develop and improve the adult's independent living and socialization skills, with the goal of reducing or relieving mental illness and enabling the adult to live in the community. Day treatment services are not a part of inpatient or residential treatment services. Day treatment services are distinguished from day care by their structured therapeutic program of psychotherapy services.

Subd. 9. [DIAGNOSTIC ASSESSMENT.] "Diagnostic assessment" means a written summary of the history, diagnosis, strengths, vulnerabilities, and general service needs of a person an adult with mental illness using diagnostic, interview, and other relevant mental health techniques provided by a mental health professional used in developing an individual treatment plan or individual community support plan.

Subd. 10. [EDUCATION AND PREVENTION SERVICES.] "Education and prevention services" means services designed to educate the general public or special high-risk target populations about mental illness, to increase the understanding and acceptance of problems associated with mental illness, to increase people's awareness of the availability of resources and services, and to improve people's skills in dealing with high-risk situations known to affect people's mental health and functioning. The services include the distribution of information to individuals and agencies, identified by the county board and the local mental health advisory council, on predictors and symptoms of mental illness, where mental health services are available in the county, and how to gain access to the services.

Subd. 11. [EMERGENCY SERVICES.] "Emergency services" means an immediate response service available on a 24-hour, seven-day-a-week basis for persons having a psychiatric crisis, a mental health crisis, or emergency.

Subd. 11a. [FUNCTIONAL ASSESSMENT.] "Functional assessment" means an assessment by the case manager of the adult's:

(1) mental health symptoms as presented in the adult's diagnostic assessment;

- (2) *mental health needs as presented in the adult's diagnostic assessment;*
- (3) *use of drugs and alcohol;*
- (4) *vocational and educational functioning;*
- (5) *social functioning, including the use of leisure time;*
- (6) *interpersonal functioning, including relationships with the adult's family;*
- (7) *self-care and independent living capacity;*
- (8) *medical and dental health;*
- (9) *financial assistance needs;*
- (10) *housing and transportation needs; and*
- (11) *other needs and problems.*

Subd. 12. [INDIVIDUAL COMMUNITY SUPPORT PLAN.] "Individual community support plan" means a written plan developed by a case manager on the basis of a diagnostic assessment *and functional assessment*. The plan identifies specific services needed by a ~~person~~ *an adult* with serious and persistent mental illness to develop independence or improved functioning in daily living, health and medication management, social functioning, interpersonal relationships, financial management, housing, transportation, and employment.

Subd. 13. [INDIVIDUAL PLACEMENT AGREEMENT.] "Individual placement agreement" means a written agreement or supplement to a service contract entered into between the county board and a service provider on behalf of an individual ~~client~~ *adult* to provide residential treatment services.

Subd. 14. [INDIVIDUAL TREATMENT PLAN.] "Individual treatment plan" means a written plan of intervention, treatment, and services for a ~~person~~ *an adult* with mental illness that is developed by a service provider under the clinical supervision of a mental health professional on the basis of a diagnostic assessment. The plan identifies goals and objectives of treatment, treatment strategy, a schedule for accomplishing treatment goals and objectives, and the individual responsible for providing treatment to the ~~person~~ *adult* with mental illness.

Subd. 15. [LOCAL MENTAL HEALTH PROPOSAL.] "Local mental health proposal" means the proposal developed by the county board, reviewed by the commissioner, and described in section 245.463.

Subd. 16. [MENTAL HEALTH FUNDS.] "Mental health funds" are funds expended under sections 245.73 and 256E.12, federal mental health block grant funds, and funds expended under sections 256D.06 and 256D.37 to facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690.

Subd. 17. [MENTAL HEALTH PRACTITIONER.] "Mental health practitioner" means a person providing services to persons with mental illness who is qualified in at least one of the following ways:

- (1) holds a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university and has at least 2,000 hours of supervised experience in the delivery of services to persons with mental illness;

(2) has at least 6,000 hours of supervised experience in the delivery of services to persons with mental illness;

(3) is a graduate student in one of the behavioral sciences or related fields and is formally assigned by an accredited college or university to an agency or facility for clinical training; or

(4) holds a master's or other graduate degree in one of the behavioral sciences or related fields from an accredited college or university and has less than 4,000 hours post-master's experience in the treatment of mental illness.

Subd. 18. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the treatment of mental illness who is qualified in at least one of the following ways:

(1) in psychiatric nursing: a registered nurse ~~with a master's degree in one of the behavioral sciences or related fields from an accredited college or university or its equivalent~~, who is licensed under sections 148.171 to 148.285, ~~with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness and who is certified as a clinical specialist by the American nurses association~~;

(2) in clinical social work: a person licensed as an independent clinical social worker under section 148B.21, subdivision 6, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(3) in psychology: a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental illness;

(4) in psychiatry: a physician licensed under chapter 147 and certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields: a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness.

Subd. 19. [MENTAL HEALTH SERVICES.] "Mental health services" means at least all of the treatment services and case management activities that are provided to ~~persons~~ *adults* with mental illness and are described in sections 245.461 to 245.486.

Subd. 20. [MENTAL ILLNESS.] (a) "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (~~DSM-III~~ *DSM-MD*), current edition, Axes I, II, or III, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.

(b) ~~A "person~~ An "adult with acute mental illness" means a ~~person~~ *adult* who has a mental illness that is serious enough to require prompt

intervention.

(c) For purposes of case management and community support services, a “person with serious and persistent mental illness” means a ~~person~~ *an adult* who has a mental illness and meets at least one of the following criteria:

(1) the ~~person~~ *adult* has undergone two or more episodes of inpatient care for a mental illness within the preceding 24 months;

(2) the ~~person~~ *adult* has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months’ duration within the preceding 12 months;

(3) the ~~person~~ *adult*:

(i) has a diagnosis of schizophrenia, bipolar disorder, major depression, or borderline personality disorder;

(ii) indicates a significant impairment in functioning; and

(iii) has a written opinion from a mental health professional stating that the ~~person~~ *adult* is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), unless an ongoing community support services program is provided; or

(4) the ~~person~~ *adult* has been committed by a court as a mentally ill person under chapter 253B, or the ~~person’s~~ *adult’s* commitment has been stayed or continued.

Subd. 21. [OUTPATIENT SERVICES.] “Outpatient services” means mental health services, excluding day treatment and community support services programs, provided by or under the clinical supervision of a mental health professional to ~~persons~~ *adults* with a mental illness who live outside a hospital. Outpatient services include clinical activities such as individual, group, and family therapy; individual treatment planning; diagnostic assessments; medication management; and psychological testing.

Subd. 22. [REGIONAL TREATMENT CENTER INPATIENT SERVICES.] “Regional treatment center inpatient services” means the *24-hour-a-day comprehensive* medical, nursing, or psychosocial services provided in a regional treatment center operated by the state.

Subd. 23. [RESIDENTIAL TREATMENT.] “Residential treatment” means a 24-hour-a-day program under the clinical supervision of a mental health professional, in a community residential setting other than an acute care hospital or regional treatment center *inpatient unit*, that must be licensed as a residential treatment *facility program* for ~~persons~~ *adults* with mental illness under Minnesota Rules, parts 9520.0500 to 9520.0690 ~~for adults,~~ 9545.0900 to 9545.1090 ~~for children,~~ or other ~~rule rules~~ adopted by the commissioner.

Subd. 24. [SERVICE PROVIDER.] “Service provider” means either a county board or an individual or agency including a regional treatment center under contract with the county board that provides *adult* mental health services funded by sections 245.461 to 245.486.

Subd. 25. [CLINICAL SUPERVISION.] “Clinical supervision” means the ~~oversight responsibility for individual treatment plans and individual service delivery, including that provided by the case manager.~~ Clinical



~~supervision must be accomplished by full or part-time employment of or contracts with mental health professionals. Clinical supervision must be documented by the mental health professional cosigning individual treatment plans and by entries in the client's record regarding supervisory activities.~~

Sec. 3. Minnesota Statutes 1988, section 245.463, subdivision 2, is amended to read:

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner shall provide ongoing technical assistance to county boards to develop local mental health proposals as specified in section ~~245.479~~ 245.478, to improve system capacity and quality. The commissioner and county boards shall exchange information as needed about the numbers of ~~persons~~ *adults* with mental illness residing in the county and extent of existing treatment components locally available to serve the needs of those persons. County boards shall cooperate with the commissioner in obtaining necessary planning information upon request.

Sec. 4. Minnesota Statutes 1988, section 245.464, is amended to read:

245.464 [COORDINATION OF MENTAL HEALTH SYSTEM.]

Subdivision 1. [~~SUPERVISION~~ COORDINATION.] The commissioner shall supervise the development and coordination of locally available *adult* mental health services by the county boards in a manner consistent with sections 245.461 to 245.486. The commissioner shall coordinate locally available services with those services available from the regional treatment center serving the area. The commissioner shall review local mental health service proposals developed by county boards as specified in section 245.463 and provide technical assistance to county boards in developing and maintaining locally available mental health services. The commissioner shall monitor the county board's progress in developing its full system capacity and quality through ongoing review of the county board's *adult* mental health proposals, ~~quarterly reports~~, and other information as required by sections 245.461 to 245.486.

Subd. 2. [PRIORITIES.] By January 1, 1990, the commissioner shall require that each of the treatment services and management activities described in sections 245.469 to 245.477 are developed for ~~persons~~ *adults* with mental illness within available resources based on the following ranked priorities:

- (1) the provision of locally available emergency services;
- (2) the provision of locally available services to all ~~persons~~ *adults* with serious and persistent mental illness and all ~~persons~~ *adults* with acute mental illness;
- (3) the provision of specialized services regionally available to meet the special needs of all ~~persons~~ *adults* with serious and persistent mental illness and all ~~persons~~ *adults* with acute mental illness;
- (4) the provision of locally available services to ~~persons~~ *adults* with other mental illness; and
- (5) the provision of education and preventive mental health services targeted at high-risk populations.

Sec. 5. Minnesota Statutes 1988, section 245.465, is amended to read:

245.465 [DUTIES OF COUNTY BOARD.]

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

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

(2) provide for case management services to ~~persons~~ *adults* with serious and persistent mental illness in accordance with sections 245.462, subdivisions 3 and 4; ~~245.471; 245.475 245.4711;~~ and 245.486;

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

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

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

Sec. 6. Minnesota Statutes 1988, section 245.466, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT OF SERVICES.] The county board in each county is responsible for using all available resources to develop and coordinate a system of locally available and affordable *adult* mental health services. The county board may provide some or all of the mental health services and activities specified in subdivision 2 directly through a county agency or under contracts with other individuals or agencies. A county or counties may enter into an agreement with a regional treatment center under section 246.57 to enable the county or counties to provide the treatment services in subdivision 2. Services provided through an agreement between a county and a regional treatment center must meet the same requirements as services from other service providers. County boards shall demonstrate their continuous progress toward full implementation of sections 245.461 to 245.486 during the period July 1, 1987, to January 1, 1990. County boards must develop fully each of the treatment services and management activities prescribed by sections 245.461 to 245.486 by January 1, 1990, according to the priorities established in section 245.464 and the local mental health services proposal approved by the commissioner under section 245.478.

Sec. 7. Minnesota Statutes 1988, section 245.466, subdivision 2, is amended to read:

Subd. 2. [ADULT MENTAL HEALTH SERVICES.] The *adult* mental health service system developed by each county board must include the following services:

(1) education and prevention services in accordance with section 245.468;

(2) emergency services in accordance with section 245.469;

(3) outpatient services in accordance with section 245.470;

(4) community support program services in accordance with ~~sections~~

~~245.471 and 245.475~~ section 245.4711;

- (5) residential treatment services in accordance with section 245.472;
- (6) acute care hospital inpatient treatment services in accordance with section 245.473;
- (7) regional treatment center inpatient services in accordance with section 245.474;
- (8) screening in accordance with section 245.476; and
- (9) case management in accordance with sections 245.462, subdivision 3; ~~245.471~~; and ~~245.475~~ 245.4711.

Sec. 8. Minnesota Statutes 1988, section 245.466, subdivision 5, is amended to read:

Subd. 5. [LOCAL ADVISORY COUNCIL.] The county board, individually or in conjunction with other county boards, shall establish ~~a~~ *an adult* local mental health advisory council or *adult* mental health subcommittee of an existing advisory council. The council's members must reflect a broad range of community interests. They must include at least one consumer, one family member of ~~a person~~ *an adult* with mental illness, one mental health professional, and one community support services program representative. The local *adult* mental health advisory council or *adult* mental health subcommittee of an existing advisory council shall meet at least quarterly to review, evaluate, and make recommendations regarding the local *adult* mental health system. Annually, the local *adult mental health* advisory council or *adult* mental health subcommittee of an existing advisory council shall:

(1) arrange for input from the regional treatment center's mental illness program unit regarding coordination of care between the regional treatment center and community-based services; and

(2) identify for the county board the individuals, providers, agencies, and associations as specified in section 245.462, subdivision 10.

The county board shall consider the advice of its local *adult* mental health advisory council or *adult* mental health subcommittee of an existing advisory council in carrying out its authorities and responsibilities.

Sec. 9. Minnesota Statutes 1988, section 245.466, subdivision 6, is amended to read:

Subd. 6. [OTHER LOCAL AUTHORITY.] The county board may establish procedures and policies that are not contrary to those of the commissioner or sections 245.461 to 245.486 regarding local *adult* mental health services and facilities. The county board shall perform other acts necessary to carry out sections 245.461 to 245.486.

Sec. 10. Minnesota Statutes 1988, section 245.467, subdivision 3, is amended to read:

Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All providers of outpatient *services*, *day treatment services*, residential treatment, acute care hospital inpatient treatment, and all regional treatment centers must develop an individual treatment plan for each of their *adult* clients. The individual treatment plan must be based on a diagnostic assessment. To the extent possible, the *adult* client shall be involved in all phases of developing and implementing the individual treatment plan. The individual treatment plan

must be developed within ten days of client intake and reviewed every 90 days thereafter.

Sec. 11. Minnesota Statutes 1988, section 245.467, subdivision 4, is amended to read:

Subd. 4. [REFERRAL FOR CASE MANAGEMENT.] Each provider of emergency services, *day treatment services*, outpatient treatment, community support services, residential treatment, acute care hospital inpatient treatment, or regional treatment center inpatient treatment must inform each of its clients with serious and persistent mental illness of the availability and potential benefits to the client of case management. If the client consents, the provider must refer the client by notifying the county employee designated by the county board to coordinate case management activities of the client's name and address and by informing the client of whom to contact to request case management. The provider must document compliance with this subdivision in the client's record.

Sec. 12. Minnesota Statutes 1988, section 245.467, subdivision 5, is amended to read:

Subd. 5. [INFORMATION FOR BILLING.] Each provider of outpatient treatment, community support services, *day treatment services*, emergency services, residential treatment, or acute care hospital inpatient treatment must include the name and home address of each client for whom services are included on a bill submitted to a county, if the client has consented to the release of that information and if the county requests the information. Each provider shall attempt to obtain each client's consent and must explain to the client that the information can only be released with the client's consent and may be used only for purposes of payment and maintaining provider accountability. The provider shall document the attempt in the client's record.

Sec. 13. Minnesota Statutes 1988, section 245.468, is amended to read:  
245.468 [EDUCATION AND PREVENTION SERVICES.]

By July 1, 1988, county boards must provide or contract for education and prevention services to ~~persons~~ *adults* residing in the county. Education and prevention services must be designed to:

(1) convey information regarding mental illness and treatment resources to the general public ~~or~~ *and* special high-risk target groups;

(2) increase understanding and acceptance of problems associated with mental illness;

(3) improve people's skills in dealing with high-risk situations known to have an impact on ~~people's~~ *adults'* mental health functioning; ~~and~~

(4) prevent development or deepening of mental illness; *and*

(5) *refer adults with additional mental health needs to appropriate mental health services.*

Sec. 14. Minnesota Statutes 1988, section 245.469, is amended to read:  
245.469 [EMERGENCY SERVICES.]

Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] By July 1, 1988, county boards must provide or contract for enough emergency services within the county to meet the needs of ~~persons~~ *adults* in the county

who are experiencing an emotional crisis or mental illness. Clients may be required to pay a fee ~~based on their ability to pay~~ *according to section 245.481*. Emergency services must include assessment, intervention, and appropriate case disposition. Emergency services must:

- (1) promote the safety and emotional stability of ~~people~~ *adults* with mental illness or emotional crises;
- (2) minimize further deterioration of ~~people~~ *adults* with mental illness or emotional crises;
- (3) help ~~people~~ *adults* with mental illness or emotional crises to obtain ongoing care and treatment; and
- (4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services *to adults with mental illness* provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll free telephone access to a mental health professional, a mental health practitioner, or a designated person with training in human services who receives clinical supervision from a mental health professional. Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes. *By January 1, 1991, emergency services must be provided by a mental health agency operated by a county or a mental health agency under contract with the county board.*

Sec. 15. Minnesota Statutes 1988, section 245.470, subdivision 1. is amended to read:

Subdivision 1. [AVAILABILITY OF OUTPATIENT SERVICES.] (a) By July 1, 1988, county boards must provide or contract for enough outpatient services within the county to meet the needs of ~~persons~~ *adults* with mental illness residing in the county. Clients may be required to pay a fee ~~based on their ability to pay~~ *according to section 245.481*. Outpatient services include:

- (1) conducting diagnostic assessments;
- (2) conducting psychological testing;
- (3) developing or modifying individual treatment plans;
- (4) making referrals and recommending placements as appropriate;
- (5) treating ~~a person's~~ *an adult's* mental health needs through therapy;
- (6) prescribing and managing medication *and evaluating the effectiveness of prescribed medication*; and
- (7) preventing placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs.

(b) County boards may request a waiver allowing outpatient services to be provided in a nearby trade area if it is determined that the client can best be served outside the county.

Sec. 16. [245.4711] [CASE MANAGEMENT AND COMMUNITY SUPPORT SERVICES.]

*Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By January 1, 1989, the county board shall provide case management activities for all adults with serious and persistent mental illness residing in the county who request or consent to the services and to each adult for whom the court appoints a case manager. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.462, subdivision 4.*

*(b) Case management services provided to adults with serious and persistent mental illness eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.*

*Subd. 2. [NOTIFICATION OF CASE MANAGEMENT ELIGIBILITY.] The county board shall notify the client of the person's potential eligibility for case management services within five working days after receiving a request from an individual or a referral from a provider under section 245.467, subdivision 4. The county board shall send a written notice to the client and the client's representative, if any, that identifies the designated case management providers.*

*Subd. 3. [DUTIES OF CASE MANAGER.] (a) The case manager shall promptly arrange for a diagnostic assessment of the applicant when one is not available as described in section 245.467, subdivision 2, to determine the applicant's eligibility as an adult with serious and persistent mental illness for community support services. The county board shall notify in writing the applicant and the applicant's representative, if any, if the applicant is determined ineligible for community support services.*

*(b) Upon a determination of eligibility for community support services, the case manager shall develop an individual community support plan for an adult according to subdivision 4, paragraph (a), review the client's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.*

*Subd. 4. [INDIVIDUAL COMMUNITY SUPPORT PLAN.] (a) The case manager must develop an individual community support plan for each adult that incorporates the client's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual community support plan. The individual community support plan must be developed within 30 days of client intake and reviewed every 90 days after it is developed. The case manager is responsible for developing the individual community support plan based on a diagnostic assessment and a functional assessment and for implementing and monitoring the delivery of services according to the individual community support plan. To the extent possible, the adult with serious and persistent mental illness, the person's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual or family community support plan.*

*(b) The client's individual community support plan must state:*

*(1) the goals of each service;*

*(2) the activities for accomplishing each goal;*

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual community support plan.

**Subd. 5. [COORDINATION BETWEEN CASE MANAGER AND COMMUNITY SUPPORT SERVICES.]** *The county board must establish procedures that ensure ongoing contact and coordination between the case manager and the community support services program as well as other mental health services.*

**Subd. 6. [AVAILABILITY OF COMMUNITY SUPPORT SERVICES.]** *County boards must provide or contract for sufficient community support services within the county to meet the needs of adults with serious and persistent mental illness residing in the county. Clients may be required to pay a fee according to section 245.481. The community support services program must be designed to improve the ability of adults with serious and persistent mental illness to:*

(1) work in a regular or supported work environment;

(2) handle basic activities of daily living;

(3) participate in leisure time activities;

(4) set goals and plans;

(5) obtain and maintain appropriate living arrangements; and

(6) reduce the use of more intensive, costly, or restrictive placements both in number of admissions and lengths of stay as determined by client need.

**Subd. 7. [DAY TREATMENT SERVICES PROVIDED.]** (a) *By July 1, 1989, day treatment services must be developed as a part of the community support services available to adults with serious and persistent mental illness residing in the county. Clients may be required to pay a fee according to section 245.481. Day treatment services must be designed to:*

(1) provide a structured environment for treatment;

(2) provide community support;

(3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client need;

(4) coordinate with or be offered in conjunction with a local education agency's special education program; and

(5) operate on a continuous basis throughout the year.

(b) *County boards may request a waiver from including day treatment services if they can document that:*

(1) an alternative plan of care exists through the county's community support services for clients who would otherwise need day treatment services;

(2) day treatment, if included, would be duplicative of other components of the community support services; and

(3) county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

**Subd. 8. [BENEFITS ASSISTANCE.]** *The county board must offer help*

*to adults with serious and persistent mental illness in applying for federal benefits, including supplemental security income, medical assistance, and Medicare. The help must be offered as a part of the community support program available to adults with serious and persistent mental illness for whom the county is financially responsible and who may qualify for these benefits.*

Sec. 17. Minnesota Statutes 1988, section 245.472, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF RESIDENTIAL TREATMENT SERVICES.] By July 1, 1988, county boards must provide or contract for enough residential treatment services to meet the needs of all ~~persons~~ *adults with mental illness residing in the county and needing this level of care.* Residential treatment services include both intensive and structured residential treatment with length of stay based on client residential treatment need. Services must be as close to the county as possible. Residential treatment must be designed to:

(1) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs;

(2) help clients achieve the highest level of independent living;

(3) help clients gain the necessary skills to ~~be referred to a community support services program or outpatient services~~ *return to the community;* and

(4) stabilize crisis admissions.

Sec. 18. Minnesota Statutes 1988, section 245.472, is amended by adding a subdivision to read:

*Subd. 3. [TRANSITION TO COMMUNITY.] Residential treatment facilities must plan for and assist clients in making a transition from residential treatment facilities to community-based services. Residential treatment facilities must also arrange for appropriate follow-up care in the community. Before a client is discharged, the residential treatment facility must notify the client's case manager, if any, so that the case manager can monitor the client's appropriate follow-up care in the community.*

Sec. 19. Minnesota Statutes 1988, section 245.473, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF ACUTE CARE INPATIENT SERVICES.] By July 1, 1988, county boards must make available through contract or direct provision enough acute care hospital inpatient treatment services as close to the county as possible ~~to meet the needs of persons~~ *for adults with mental illness residing in the county.* Acute care hospital inpatient treatment services must be designed to:

(1) stabilize the medical *and mental health* condition of ~~people with acute or serious and persistent mental illness~~ *for which admission is required;*

(2) improve functioning *to the point where discharge to residential treatment or community-based mental health services is possible;* and

(3) facilitate appropriate referrals, ~~for follow-up, and placements~~ *mental health care in the community.*

Sec. 20. Minnesota Statutes 1988, section 245.474, is amended to read:



## 245.474 [REGIONAL TREATMENT CENTER INPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF REGIONAL TREATMENT CENTER INPATIENT SERVICES.] By July 1, 1987, the commissioner shall make sufficient regional treatment center inpatient services available to ~~people~~ *adults* with mental illness throughout the state *who need this level of care*. Regional treatment centers are responsible to:

- (1) stabilize the medical *and mental health* condition of the ~~person with mental illness~~ *adult requiring the admission*;
- (2) improve functioning *to the point where discharge to community-based mental health services is possible*;
- (3) strengthen family and community support; and
- (4) facilitate appropriate discharge, ~~aftercare,~~ *and referrals for follow-up* ~~placements~~ *mental health care* in the community.

Subd. 2. [QUALITY OF SERVICE.] The commissioner shall biennially determine the needs of all ~~mentally ill patients~~ *adults with mental illness who are served by regional treatment centers* by administering a client-based evaluation system. The client-based evaluation system must include at least the following independent measurements: behavioral development assessment; habilitation program assessment; medical needs assessment; maladaptive behavioral assessment; and vocational behavior assessment. The commissioner shall propose staff ratios to the legislature for the mental health and support units in regional treatment centers as indicated by the results of the client-based evaluation system. The proposed staffing ratios shall include professional, nursing, direct care, medical, clerical, and support staff based on the client-based evaluation system. The commissioner shall recompute staffing ratios and recommendations on a biennial basis.

Sec. 21. Minnesota Statutes 1988, section 245.476, subdivision 1, is amended to read:

Subdivision 1. [SCREENING REQUIRED.] No later than January 1, ~~1991~~ *1992*, the county board shall screen all ~~persons~~ *adults* before they may be admitted for treatment of mental illness to a residential treatment facility, an acute care hospital, or informally admitted to a regional treatment center if public funds are used to pay for the services. Screening prior to admission must occur within ten days. If a ~~person~~ *an adult* is admitted for treatment of mental illness on an emergency basis to a residential facility or acute care hospital or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five days of the admission. ~~Persons~~ *Adults* must be screened within ten days before or within five days after admission to ensure that:

- (1) an admission is necessary.
- (2) the length of stay is as short as possible consistent with individual client need, and
- (3) the case manager, if assigned, is developing an individual community support plan.

The screening process and placement decision must be documented in the client's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been

established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards specified in clauses (1) to (3).

Sec. 22. Minnesota Statutes 1988, section 245.476, subdivision 3, is amended to read:

Subd. 3. [INDIVIDUAL PLACEMENT AGREEMENT.] The county board shall enter into an individual placement agreement with a provider of residential treatment services to a ~~person~~ *an adult* eligible for services under this section. The agreement must specify the payment rate and terms and conditions of county payment for the placement.

Sec. 23. Minnesota Statutes 1988, section 245.476, is amended by adding a subdivision to read:

*Subd. 4. [TASK FORCE ON RESIDENTIAL AND INPATIENT TREATMENT SERVICES FOR ADULTS.] The commissioner of human services shall appoint a task force on residential and inpatient treatment services for adults that includes representatives from each of the mental health professional categories defined in section 245.462, subdivision 18, the Minnesota mental health association, the Minnesota alliance for the mentally ill, the Minnesota mental health law project, the Minnesota hospital association, the association of residential mental health facilities, department of human services staff, the department of education, the department of corrections, the ombudsman for mental health and mental retardation, and counties. The task force shall examine and evaluate existing mechanisms that have as their purpose review of appropriate admission and need for continued care for clients admitted to residential treatment, acute care hospital inpatient treatment, and regional treatment center inpatient treatment. These mechanisms shall include at least the following: precommitment screening, licensure and reimbursement rules, county monitoring, technical assistance, nursing home preadmission screening, hospital preadmission certification, and hospital retrospective reviews. The task force shall report to the legislature by February 15, 1990, on how existing mechanisms may be changed to accomplish the goals of screening as described in subdivision 1.*

Sec. 24. Minnesota Statutes 1988, section 245.477, is amended to read:  
245.477 [APPEALS.]

Any ~~person~~ *adult* who requests mental health services under sections 245.461 to 245.486 must be advised of services available and the right to appeal at the time of the request and each time the *individual community service support plan or individual treatment plan* is reviewed. Any ~~person~~ *adult* whose request for mental health services under sections 245.461 to 245.486 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated *by action or inaction for which the county board is responsible under sections 245.461 to 245.486* may contest that action *or inaction* before the state agency as specified in section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 25. Minnesota Statutes 1988, section 245.478, subdivision 2, is amended to read:

Subd. 2. [PROPOSAL CONTENT.] The local *adult* mental health proposal must include:

(1) the local *adult* mental health advisory council's or *adult* mental health subcommittee of an existing advisory council's report on unmet needs of *adults* and any other needs assessment used by the county board in preparing the local *adult* mental health proposal;

(2) a description of the local *adult* mental health advisory council's or the *adult* mental health subcommittee of an existing advisory council's involvement in preparing the local *adult* mental health proposal and methods used by the county board to ~~obtain~~ *ensure adequate and timely* participation of citizens, mental health professionals, and providers in development of the local mental health proposal;

(3) information for the preceding year, including the actual number of clients who received each of the mental health services listed in sections 245.468 to 245.476, and actual expenditures for each mental health service *and service waiting lists; and*

(4) ~~for the first proposal period only; information for the year during which the proposal is being prepared:~~

(i) ~~a description of the current mental health system identifying each mental health service listed in sections 245.468 to 245.476;~~

(ii) ~~a description of each service provider, including a listing of the professional qualifications of the staff involved in service delivery, that is either the sole provider of one of the mental health services described in sections 245.468 to 245.476 or that provides over \$10,000 of mental health services per year for the county;~~

(iii) ~~a description of how the mental health services in the county are unified and coordinated;~~

(iv) ~~the estimated number of clients receiving each mental health service;~~

(v) ~~estimated expenditures for each mental health service; and~~

(5) ~~the following information describing how the county board intends to meet the requirements of sections 245.461 to 245.486 during the proposal period:~~

(i) ~~specific objectives and outcome goals for each *adult* mental health service listed in sections 245.468 245.461 to 245.476 245.486;~~

(ii) ~~a description of each service provider, including county agencies, contractors, and subcontractors, that is expected to either be the sole provider of one of the *adult* mental health services described in sections 245.468 245.461 to 245.476 245.486 or to provide over \$10,000 of *adult* mental health services per year, including a listing of the professional qualifications of the staff involved in service delivery for the county;~~

(iii) ~~a description of how the *adult* mental health services in the county will be unified and coordinated;~~

(iv) ~~the estimated number of clients who will receive each *adult* mental health service; and~~

(v) ~~estimated expenditures for each *adult* mental health service and revenues for the entire proposal.~~

Sec. 26. Minnesota Statutes 1988, section 245.478, subdivision 3, is amended to read:

Subd. 3. [PROPOSAL FORMAT.] The local *adult* mental health proposal

must be made in a format prescribed by the commissioner.

Sec. 27. Minnesota Statutes 1988, section 245.479, is amended to read:  
245.479 [COUNTY OF FINANCIAL RESPONSIBILITY.]

For purposes of sections 245.461 to 245.486 and 245.487 to 245.4887, the county of financial responsibility is determined under section 256G.02, subdivision 4. Disputes between counties regarding financial responsibility must be resolved by the commissioner in accordance with section 256G.09.

Sec. 28. Minnesota Statutes 1988, section 245.48, is amended to read:  
245.48 [MAINTENANCE OF EFFORT.]

Counties must continue to spend for mental health services *specified in sections 245.461 to 245.486 and 245.487 to 245.4887*, according to generally accepted budgeting and accounting principles, an amount equal to the total expenditures shown in the county's approved 1987 Community Social Services Act plan under "State CSSA, Title XX and County Tax" for services to persons with mental illness plus the comparable figure for Rule 5 facilities under target populations other than mental illness in the approved 1987 CSSA plan.

Sec. 29. [245.481] [FEES FOR MENTAL HEALTH SERVICES.]

*A client or, in the case of a child, the child or the child's parent may be required to pay a fee for mental health services provided under sections 245.461 to 245.486 and 245.487 to 245.4887. The fee must be based on the person's ability to pay according to the fee schedule adopted by the county board. In adopting the fee schedule for mental health services, the county board may adopt the fee schedule provided by the commissioner or adopt a fee schedule recommended by the county board and approved by the commissioner. Agencies or individuals under contract with a county board to provide mental health services under sections 245.461 to 245.486 and 245.487 to 245.4887 must not charge clients whose mental health services are paid wholly or in part from public funds fees which exceed the county board's adopted fee schedule. This section does not apply to regional treatment center fees, which are governed by sections 246.50 to 246.55.*

Sec. 30. Minnesota Statutes 1988, section 245.482, is amended to read:  
245.482 [REPORTING AND EVALUATION.]

Subdivision 1. [FISCAL REPORTS.] The commissioner shall develop a unified format for quarterly fiscal reports that will include information that the commissioner determines necessary to carry out sections 245.461 to 245.486, 245.487 to 245.4887, and section 256E.08. The county board shall submit a completed fiscal report in the required format no later than ~~15~~ 30 days after the end of each quarter.

Subd. 2. [PROGRAM REPORTS.] The commissioner shall develop a unified ~~format~~ *formats* for ~~an annual program report that reporting~~, which will include information that the commissioner determines necessary to carry out sections 245.461 to 245.486, 245.487 to 245.4887, and section 256E.10. The county board shall submit ~~a completed program report~~ *reports* in the required format ~~by March 15 of each year according to the reporting schedule developed by the commissioner.~~

Subd. 3. [PROVIDER REPORTS.] The commissioner may develop ~~a~~

~~format~~ *formats* and procedures for direct reporting from providers to the commissioner to include information that the commissioner determines necessary to carry out sections 245.461 to 245.486 and 245.487 to 245.4887. In particular, the provider reports must include aggregate information by county of residence about mental health services paid for by funding sources other than counties.

Subd. 4. [COMMISSIONER'S CONSOLIDATED REPORTING RECOMMENDATIONS.] *The commissioner's reports of February 15, 1990, required under sections 245.461, subdivision 3, and 245.487, subdivision 4, shall include recommended measures to improve the efficiency of the mental health funding mechanisms and to standardize and consolidate fiscal and program reporting. The recommended measures must provide that client needs are met in an effective and accountable manner and that state and county resources are used as efficiently as possible.*

Subd. 4 5. [INACCURATE OR INCOMPLETE REPORTS.] The commissioner shall promptly notify a county or provider if a required report is clearly inaccurate or incomplete. The commissioner may delay all or part of a mental health fund payment if an appropriately completed report is not received as required by this section.

Subd. 5 6. [STATEWIDE EVALUATION.] The commissioner shall use the county and provider reports required by this section to complete the statewide report required in ~~section~~ sections 245.461 and 245.487.

Sec. 31. Minnesota Statutes 1988, section 245.483, is amended to read:

245.483 [TERMINATION OR RETURN OF AN ALLOCATION.]

Subdivision 1. [FUNDS NOT PROPERLY USED.] If the commissioner determines that a county is not meeting the requirements of sections 245.461 to 245.486 and 245.487 to 245.4887, or that funds are not being used according to the approved local proposal, all or part of the mental health and community social service act funds may be terminated upon 30 days notice to the county board. The commissioner may require repayment of any funds not used according to the approved local proposal. If the commissioner receives a written appeal from the county board within the 30-day period, opportunity for a hearing under the Minnesota administrative procedure act, chapter 14, must be provided before the allocation is terminated or is required to be repaid. The 30-day period begins when the county board receives the commissioner's notice by certified mail.

Subd. 2. [USE OF RETURNED FUNDS.] The commissioner may reallocate the funds returned.

Subd. 3. [DELAYED PAYMENTS.] If the commissioner finds that a county board or its contractors are not in compliance with the approved local proposal or sections 245.461 to 245.486 and 245.487 to 245.4887, the commissioner may delay payment of all or part of the quarterly mental health and community social service act funds until the county board and its contractors meet the requirements. The commissioner shall not delay a payment longer than three months without first issuing a notice under subdivision 2 that all or part of the allocation will be terminated or required to be repaid. After this notice is issued, the commissioner may continue to delay the payment until completion of the hearing in subdivision 2.

Subd. 4. [STATE ASSUMPTION OF RESPONSIBILITY.] If the commissioner determines that services required by sections 245.461 to 245.486

and 245.487 to 245.4887 will not be provided by the county board in the manner or to the extent required by sections 245.461 to 245.486 and 245.487 to 245.4887, the commissioner shall contract directly with providers to ensure that clients receive appropriate services. In this case, the commissioner shall use the county's community social service act and mental health funds to the extent necessary to carry out the county's responsibilities under sections 245.461 to 245.486 and 245.487 to 245.4887. The commissioner shall work with the county board to allow for a return of authority and responsibility to the county board as soon as compliance with sections 245.461 to 245.486 and 245.487 to 245.4887 can be assured.

Sec. 32. Minnesota Statutes 1988, section 245.484, is amended to read:  
245.484 [RULES.]

The commissioner shall adopt permanent rules as necessary to carry out ~~Laws 1987, chapter 403~~ sections 245.461 to 245.486 and sections 1 to 53.

Sec. 33. Minnesota Statutes 1988, section 245.485, is amended to read:  
245.485 [NO RIGHT OF ACTION.]

Sections 245.461 to 245.484 and 245.487 to 245.4887 do not independently establish a right of action on behalf of recipients of services or service providers against a county board or the commissioner. A claim for monetary damages must be brought under section 3.736 or 3.751.

Sec. 34. Minnesota Statutes 1988, section 245.486, is amended to read:  
245.486 [LIMITED APPROPRIATIONS.]

Nothing in sections 245.461 to 245.485 and 245.487 to 245.4887 shall be construed to require the commissioner or county boards to fund services beyond the limits of legislative appropriations.

Sec. 35. [245.487] [CITATION; DECLARATION OF POLICY; MISSION.]

*Subdivision 1.* [CITATION.] *Sections 245.487 to 245.4887 may be cited as the "Minnesota comprehensive children's mental health act."*

*Subd. 2.* [FINDINGS.] *The legislature finds there is a need for further development of existing clinical services for emotionally disturbed children and their families and the creation of new services for this population. Although the services specified in sections 245.487 to 245.4887 are mental health services, sections 245.487 to 245.4887 emphasize the need for a child-oriented and family-oriented approach of therapeutic programming and the need for continuity of care with other community agencies. At the same time, sections 245.487 to 245.4887 emphasize the importance of developing special mental health expertise in children's mental health services because of the unique needs of this population.*

*Subd. 3.* [MISSION OF CHILDREN'S MENTAL HEALTH SERVICE SYSTEM.] *As part of the comprehensive children's mental health system established under sections 245.487 to 245.4887, the commissioner of human services shall create and ensure a unified, accountable, comprehensive children's mental health service system that is consistent with the provision of public social services for children as specified in section 256F.01 and that:*

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

- (2) makes preventive services available to all children;
- (3) assures access to a continuum of services that:
  - (i) educate the community about the mental health needs of children;
  - (ii) address the unique physical, emotional, social, and educational needs of children;
  - (iii) are coordinated with other social and human services provided to children and their families;
  - (iv) are appropriate to the developmental needs of children; and
  - (v) are sensitive to cultural differences and special needs;
- (4) includes early screening and prompt intervention to:
  - (i) identify and treat the mental health needs of children in the least restrictive setting appropriate to their needs; and
  - (ii) prevent further deterioration;
- (5) provides mental health services to children and their families in the context in which the children live and go to school;
- (6) addresses the unique problems of paying for mental health services for children, including:
  - (i) access to private insurance coverage; and
  - (ii) public funding;
- (7) when clinically appropriate to the child's needs, includes the child and the child's family in planning the child's program of mental health services; and
- (8) when necessary, assures a smooth transition from mental health services appropriate for a child to mental health services needed by a person who is at least 18 years of age.

*Subd. 4. [IMPLEMENTATION.] (a) The commissioner shall begin implementing sections 245.487 to 245.4887 by February 15, 1990, and shall fully implement sections 245.487 to 245.4887 by January 1, 1992.*

*(b) Annually until February 15, 1992, the commissioner shall report to the legislature on all steps taken and recommendations for full implementation of sections 245.487 to 245.4887 and on additional resources needed to further implement those sections.*

*Subd. 5. [CONTINUATION OF EXISTING MENTAL HEALTH SERVICES FOR CHILDREN.] A county must continue making available the categories of mental health services for children that were required to be available as of January 1, 1989, unless the county has requested and obtained the commissioner's approval to discontinue the mental health service.*

Sec. 36. [245.4871] [DEFINITIONS.]

*Subdivision 1. [DEFINITIONS.] The definitions in this section apply to sections 245.487 to 245.4887.*

*Subd. 2. [ACUTE CARE HOSPITAL INPATIENT TREATMENT.] "Acute care hospital inpatient treatment" means short-term medical, nursing, and psychosocial services provided in an acute care hospital licensed under*

chapter 144.

*Subd. 3. [CASE MANAGEMENT SERVICES.] "Case management services" means activities designed to help the child with severe emotional disturbance and the child's family obtain needed mental health services, social services, educational services, health services, vocational services, recreational services, and related services in the areas of volunteer services, advocacy, transportation, and legal services. Case management services include obtaining a comprehensive diagnostic assessment, developing a functional assessment, developing an individual family community support plan, and assisting the child and the child's family in obtaining needed services by coordination with other agencies and assuring continuity of care. Case managers must assess and reassess the delivery, appropriateness, and effectiveness of these services over time.*

*Subd. 4. [CASE MANAGER.] (a) "Case manager" means an individual employed by the county or other entity authorized by the county board to provide case management services specified in subdivision 3 for the child with severe emotional disturbance and the child's family. A case manager must have experience and training in working with children.*

*(b) A case manager must:*

*(1) have at least a bachelor's degree in one of the behavioral sciences or a related field from an accredited college or university;*

*(2) have at least 2,000 hours of supervised experience in the delivery of mental health services to children;*

*(3) have experience and training in identifying and assessing a wide range of children's needs; and*

*(4) be knowledgeable about local community resources and how to use those resources for the benefit of children and their families.*

*(c) The case manager may be a member of any professional discipline that is part of the local system of care for children established by the county board.*

*(d) The case manager must meet in person with a mental health professional at least once each month to obtain clinical supervision.*

*(e) Case managers with a bachelor's degree but without 2,000 hours of experience in the delivery of services to children with emotional disturbance must:*

*(1) complete 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with severe emotional disturbance; and*

*(2) 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 experience is met.*

*(f) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.*

*(g) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.*



*(h) Until June 30, 1991, a refugee who does not have the qualifications specified in this subdivision may provide case management services to child refugees with severe emotional disturbance of the same ethnic group as the refugee if the person:*

*(1) is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or related fields at an accredited college or university;*

*(2) completes 40 hours of training as specified in this subdivision; and*

*(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.*

*Subd. 5. [CHILD.] "Child" means a person under 18 years of age.*

*Subd. 6. [CHILD WITH SEVERE EMOTIONAL DISTURBANCE.] (a) For purposes of eligibility for case management and family community support services, "child with severe emotional disturbance" means a child who has an emotional disturbance and who meets one of the following criteria:*

*(1) the child has been admitted within the last three years or is at risk of being admitted to inpatient treatment or residential treatment for an emotional disturbance;*

*(2) the child is a Minnesota resident and is receiving inpatient treatment or residential treatment for an emotional disturbance through the interstate compact;*

*(3) the child has one of the following as determined by a mental health professional:*

*(i) psychosis or a clinical depression;*

*(ii) risk of harming self or others as a result of an emotional disturbance;*  
*or*

*(iii) psychopathological symptoms as a result of being a victim of physical or sexual abuse or of psychic trauma within the past year; or*

*(4) the child, as a result of an emotional disturbance, has significantly impaired home, school, or community functioning that has lasted at least one year or that, in the written opinion of a mental health professional, presents substantial risk of lasting at least one year.*

*(b) The term "child with severe emotional disturbance" may be used only for purposes of county eligibility determinations. In all other written and oral communications, case managers, mental health professionals, mental health practitioners, and all other providers of mental health services shall use the term "child eligible for mental health case management" in place of "child with severe emotional disturbance."*

*Subd. 7. [CLINICAL SUPERVISION.] "Clinical supervision" means the oversight responsibility for individual treatment plans and individual service delivery, including that provided by the case manager. Clinical supervision must be accomplished by full- or part-time employment of or contracts with mental health professionals. The mental health professional must document the clinical supervision by cosigning individual treatment plans and by making entries in the client's record on supervisory activities.*

*Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of human services.*

*Subd. 9. [COUNTY BOARD.] "County board" means the county board of commissioners or board established under the joint powers act, section 471.59, or the human services board act, sections 402.01 to 402.10.*

*Subd. 10. [DAY TREATMENT SERVICES.] "Day treatment," "day treatment services," or "day treatment program" means a structured program of treatment and care provided to a child in:*

*(1) an outpatient hospital accredited by the joint commission on accreditation of health organizations and licensed under sections 144.50 to 144.55;*

*(2) a community mental health center under section 245.62; or*

*(3) an entity that is under contract with the county board to operate a program that meets the requirements of section 245.4881, subdivision 7, and Minnesota Rules, parts 9505.0170 to 9505.0475.*

*Day treatment consists of group psychotherapy and other intensive therapeutic services that are provided for a minimum three-hour time block by a multidisciplinary staff under the clinical supervision of a mental health professional. The services are aimed at stabilizing the child's mental health status and developing and improving the child's daily independent living and socialization skills. Day treatment services are distinguished from day care by their structured therapeutic program of psychotherapy services. Day treatment services are not a part of inpatient hospital or residential treatment services. Day treatment services for a child are an integrated set of education, therapy, and family interventions.*

*A day treatment service must be available to a child at least five days a week throughout the year and must be coordinated with, integrated with, or part of an education program offered by the child's school.*

*Subd. 11. [DIAGNOSTIC ASSESSMENT.] "Diagnostic assessment" means a written evaluation by a mental health professional of:*

*(1) a child's current life situation and sources of stress, including reasons for referral;*

*(2) the history of the child's current mental health problem or problems, including important developmental incidents, strengths, and vulnerabilities;*

*(3) the child's current functioning and symptoms;*

*(4) the child's diagnosis including a determination of whether the child meets the criteria of severely emotionally disturbed as specified in subdivision 6; and*

*(5) the mental health services needed by the child.*

*Subd. 12. [EARLY IDENTIFICATION AND INTERVENTION SERVICES.] "Early identification and intervention services" means services that are designed to identify children who are at risk of needing or who need mental health services and that arrange for intervention and treatment.*

*Subd. 13. [EDUCATION AND PREVENTION SERVICES.] (a) "Education and prevention services" means services designed to:*

*(1) educate the general public and groups identified as at risk of developing emotional disturbance under section 245.4872, subdivision 3, about emotional disturbances and mental health needs;*

(2) increase the understanding and acceptance of problems associated with emotional disturbances;

(3) improve people's skills in dealing with high-risk situations known to affect children's mental health and functioning; and

(4) refer specific children or their families with mental health needs to mental health services.

(b) The services include distribution to individuals and agencies identified by the county board and the local children's mental health advisory council of information on predictors and symptoms of emotional disturbances, where mental health services are available in the county, and how to access the services.

Subd. 14. [EMERGENCY SERVICES.] "Emergency services" means an immediate response service available on a 24-hour, seven-day-a-week basis for each child having a psychiatric crisis, a mental health crisis, or a mental health emergency.

Subd. 15. [EMOTIONAL DISTURBANCE.] "Emotional disturbance" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that:

(1) is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-MD), current edition, Axes I, II, or III; and

(2) seriously limits a child's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, school, and recreation.

"Emotional disturbance" is a generic term and is intended to reflect all categories of disorder described in DSM-MD, current edition, as "usually first evident in childhood or adolescence."

Subd. 16. [FAMILY.] "Family" means a child and one or more of the following persons whose participation is necessary to accomplish the child's treatment goals: (1) a person related to the child by blood, marriage, or adoption; (2) a person who is the child's foster parent or significant other; (3) a person who is the child's legal representative.

Subd. 17. [FAMILY COMMUNITY SUPPORT SERVICES.] "Family community support services" means services provided under the clinical supervision of a mental health professional and designed to help each child with severe emotional disturbance to function and remain with the child's family in the community. Family community support services do not include acute care hospital inpatient treatment, residential treatment services, or regional treatment center services. Family community support services include:

(1) client outreach to each child with severe emotional disturbance and the child's family;

(2) medication monitoring where necessary;

(3) assistance in developing independent living skills;

(4) assistance in developing parenting skills necessary to address the needs of the child with severe emotional disturbance;

- (5) assistance with leisure and recreational activities;
- (6) crisis assistance, including crisis placement and respite care;
- (7) professional home-based family treatment;
- (8) foster care with therapeutic supports;
- (9) day treatment;
- (10) assistance in locating respite care; and
- (11) assistance in obtaining potential financial resources.

*Subd. 18. [FUNCTIONAL ASSESSMENT.] "Functional assessment" means an assessment by the case manager of the child's:*

- (1) mental health symptoms as presented in the child's diagnostic assessment;
- (2) mental health needs as presented in the child's diagnostic assessment;
- (3) use of drugs and alcohol;
- (4) vocational and educational functioning;
- (5) social functioning, including the use of leisure time;
- (6) interpersonal functioning, including relationships with the child's family;
- (7) self-care and independent living capacity;
- (8) medical and dental health;
- (9) financial assistance needs;
- (10) housing and transportation needs; and
- (11) other needs and problems.

*Subd. 19. [INDIVIDUAL FAMILY COMMUNITY SUPPORT PLAN.] "Individual family community support plan" means a written plan developed by a case manager in conjunction with the family and the child with severe emotional disturbance on the basis of a diagnostic assessment and a functional assessment. The plan identifies specific services needed by a child and the child's family to:*

- (1) treat the symptoms and dysfunctions determined in the diagnostic assessment;
- (2) relieve conditions leading to emotional disturbance and improve the personal well-being of the child;
- (3) improve family functioning;
- (4) enhance daily living skills;
- (5) improve functioning in education and recreation settings;
- (6) improve interpersonal and family relationships;
- (7) enhance vocational development; and
- (8) assist in obtaining transportation, housing, health services, and employment.

*Subd. 20. [INDIVIDUAL PLACEMENT AGREEMENT.] "Individual placement agreement" means a written agreement or supplement to a*

*service contract entered into between the county board and a service provider on behalf of a child to provide residential treatment services.*

*Subd. 21. [INDIVIDUAL TREATMENT PLAN.] "Individual treatment plan" means a written plan of intervention, treatment, and services for a child with an emotional disturbance that is developed by a service provider under the clinical supervision of a mental health professional on the basis of a diagnostic assessment. An individual treatment plan for a child must be developed in conjunction with the family unless clinically inappropriate. The plan identifies goals and objectives of treatment, treatment strategy, a schedule for accomplishing treatment goals and objectives, and the individuals responsible for providing treatment to the child with an emotional disturbance.*

*Subd. 22. [LEGAL REPRESENTATIVE.] "Legal representative" means a guardian, conservator, or guardian ad litem of a child with an emotional disturbance authorized by the court to make decisions about mental health services for the child.*

*Subd. 23. [LOCAL MENTAL HEALTH PROPOSAL.] "Local mental health proposal" means the proposal developed by the county board, reviewed by the commissioner, and described in section 245.4887.*

*Subd. 24. [LOCAL SYSTEM OF CARE.] "Local system of care" means services that are locally available to the child and the child's family. The services are mental health, social services, correctional services, education services, health services, and vocational services.*

*Subd. 25. [MENTAL HEALTH FUNDS.] "Mental health funds" are funds expended under sections 245.73 and 256E.12, federal mental health block grant funds, and funds expended under sections 256D.06 and 256D.37 to facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690.*

*Subd. 26. [MENTAL HEALTH PRACTITIONER.] "Mental health practitioner" means a person providing services to children with emotional disturbances. A mental health practitioner must have training and experience in working with children. A mental health practitioner must be qualified in at least one of the following ways:*

*(1) holds a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university and has at least 2,000 hours of supervised experience in the delivery of services to children with emotional disturbances;*

*(2) has at least 6,000 hours of supervised experience in the delivery of mental health services to children with emotional disturbances;*

*(3) is a graduate student in one of the behavioral sciences or related fields and is formally assigned by an accredited college or university to an agency or facility for clinical training; or*

*(4) holds a master's or other graduate degree in one of the behavioral sciences or related fields from an accredited college or university and has less than 4,000 hours post-master's experience in the treatment of emotional disturbance.*

*Subd. 27. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the diagnosis*

*and treatment of children's emotional disorders. A mental health professional must have training and experience in working with children consistent with the age group to which the mental health professional is assigned. A mental health professional must be qualified in at least one of the following ways:*

*(1) in psychiatric nursing, the mental health professional must be a registered nurse who is licensed under sections 148.171 to 148.285 and who is certified as a clinical specialist in psychiatric or mental health nursing by the American nurses association;*

*(2) in clinical social work, the mental health professional must be a person licensed as an independent clinical social worker under section 148B.21, subdivision 6, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;*

*(3) in psychology, the mental health professional must be a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental illness;*

*(4) in psychiatry, the mental health professional must be a physician licensed under chapter 147 and certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or*

*(5) in allied fields, the mental health professional must be a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of emotional disturbances.*

*Subd. 28. [MENTAL HEALTH SERVICES.] "Mental health services" means at least all of the treatment services and case management activities that are provided to children with emotional disturbances and are described in sections 245.487 to 245.4887.*

*Subd. 29. [OUTPATIENT SERVICES.] "Outpatient services" means mental health services, excluding day treatment and community support services programs, provided by or under the clinical supervision of a mental health professional to children with emotional disturbances who live outside a hospital. Outpatient services include clinical activities such as individual, group, and family therapy; individual treatment planning; diagnostic assessments; medication management; and psychological testing.*

*Subd. 30. [PARENT.] "Parent" means the birth or adoptive mother or father of a child. This definition does not apply to a person whose parental rights have been terminated in relation to the child.*

*Subd. 31. [PROFESSIONAL HOME-BASED FAMILY TREATMENT.] "Professional home-based family treatment" means intensive mental health services provided to children (1) who are at risk of out-of-home placement, (2) who are in out-of-home placement, or (3) who are returning from out-of-home placement because of an emotional disturbance. Services are provided to the child and the child's family primarily in the child's home environment or other location appropriate to the child. Examples of appropriate locations include, but are not limited to, the child's school, day care center, home, and any other living arrangement of the child. Services must be provided on an individual family basis, must be child-oriented and*

*family-oriented, and must be designed to meet the specific mental health needs of the child and the child's family. Services include family and individual therapy and family living skills training and must be coordinated with other service providers.*

**Subd. 32. [RESIDENTIAL TREATMENT.]** *"Residential treatment" means a 24-hour-a-day program under the clinical supervision of a mental health professional, in a community residential setting other than an acute care hospital or regional treatment center inpatient unit, that must be licensed as a residential treatment program for children with emotional disturbances under Minnesota Rules, parts 9545.0900 to 9545.1090, or other rules adopted by the commissioner.*

**Subd. 33. [SERVICE PROVIDER.]** *"Service provider" means either a county board or an individual or agency including a regional treatment center under contract with the county board that provides children's mental health services funded under sections 245.487 to 245.4887.*

**Subd. 34. [THERAPEUTIC SUPPORT OF FOSTER CARE.]** *"Therapeutic support of foster care" means the mental health training and mental health support services and clinical supervision provided under a mental health professional to foster families caring for children with severe emotional disturbance to provide a therapeutic family environment and support for the child's improved functioning.*

**Sec. 37. [245.4872] [PLANNING FOR A CHILDREN'S MENTAL HEALTH SYSTEM.]**

**Subdivision 1. [PLANNING EFFORT.]** *Starting on the effective date of sections 245.487 to 245.4887 and ending January 1, 1992, the commissioner and the county agencies shall plan for the development of a unified, accountable, and comprehensive statewide children's mental health system. The system must be planned and developed by stages until it is operating at full capacity.*

**Subd. 2. [TECHNICAL ASSISTANCE.]** *The commissioner shall provide ongoing technical assistance to county boards to develop local mental health proposals as specified in section 245.4887, to improve system capacity and quality. The commissioner and county boards shall exchange information as needed about the numbers of children with emotional disturbances residing in the county and the extent of existing treatment components locally available to serve the needs of those persons. County boards shall cooperate with the commissioner in obtaining necessary planning information upon request.*

**Subd. 3. [INFORMATION TO COUNTIES.]** *By January 1, 1990, the commissioner shall provide each county with information about the predictors and symptoms of children's emotional disturbances and information about groups identified as at risk of developing emotional disturbance.*

**Sec. 38. [245.4873] [COORDINATION OF CHILDREN'S MENTAL HEALTH SYSTEM.]**

**Subdivision 1. [COORDINATION.]** *The commissioner shall supervise the development and coordination of locally available children's mental health services by the county boards in a manner consistent with sections 245.487 to 245.4887. The commissioner shall review local mental health service proposals developed by county boards as specified in section 245.4887*

*and provide technical assistance to county boards in developing and maintaining locally available children's mental health services. The commissioner shall monitor the county board's progress in developing its full system capacity and quality through ongoing review of the county board's children's mental health proposals and other information as required by sections 245.487 to 245.4887. In meeting the requirements of section 245.696, subdivision 2, clause (6), the commissioner shall explore the interdepartmental methods of providing early identification and intervention for children with or at risk of emotional disturbances by January 1, 1991.*

*Subd. 2. [PRIORITIES.] By January 1, 1992, the commissioner shall require that each of the treatment services and management activities described in sections 245.487 to 245.4887 be developed for children with emotional disturbances within available resources based on the following ranked priorities:*

- (1) the provision of locally available mental health emergency services;*
- (2) the provision of locally available mental health services to all children with severe emotional disturbance;*
- (3) the provision of early identification and intervention services to children who are at risk of needing or who need mental health services;*
- (4) the provision of specialized mental health services regionally available to meet the special needs of all children with severe emotional disturbance, and all children with emotional disturbances;*
- (5) the provision of locally available services to children with emotional disturbances; and*
- (6) the provision of education and preventive mental health services.*

**Sec. 39. [245.4874] [DUTIES OF COUNTY BOARD.]**

*The county board in each county shall use its share of mental health and community social service act funds allocated by the commissioner according to a biennial local children's mental health service proposal required under section 245.4887, and approved by the commissioner. The county board must:*

- (1) develop and coordinate a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4887;*
- (2) provide the community with information about predictors and symptoms of emotional disturbances and how to access children's mental health services according to section 245.4878;*
- (3) provide for case management services to each child with severe emotional disturbance according to sections 245.4871, subdivisions 3 and 4; 245.4881, subdivisions 1, 3, and 5; and 245.486;*
- (4) provide for screening of each child under section 245.4885 upon admission to a residential treatment facility or acute care hospital inpatient treatment, or informal admission to a regional treatment center;*
- (5) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4887;*
- (6) assure that mental health professionals, mental health practitioners,*



*and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871; and*

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

**Sec. 40. [245.4875] [LOCAL SERVICE DELIVERY SYSTEM.]**

*Subdivision 1. [DEVELOPMENT OF CHILDREN'S SERVICES.] The county board in each county is responsible for using all available resources to develop and coordinate a system of locally available and affordable children's mental health services. The county board may provide some or all of the children's mental health services and activities specified in subdivision 2 directly through a county agency or under contracts with other individuals or agencies. A county or counties may enter into an agreement with a regional treatment center under section 246.57 to enable the county or counties to provide the treatment services in subdivision 2. Services provided through an agreement between a county and a regional treatment center must meet the same requirements as services from other service providers. County boards shall demonstrate their continuous progress toward fully implementing sections 245.487 to 245.4887 during the period July 1, 1989, to January 1, 1992. County boards must develop fully each of the treatment services prescribed by sections 245.487 to 245.4887 by January 1, 1992, according to the priorities established in section 245.4873 and the local children's mental health services proposal approved by the commissioner under section 245.4887.*

*Subd. 2. [CHILDREN'S MENTAL HEALTH SERVICES.] The children's mental health service system developed by each county board must include the following services:*

- (1) education and prevention services according to section 245.4877;*
- (2) early identification and intervention services according to section 245.4878;*
- (3) emergency services according to section 245.4879;*
- (4) outpatient services according to section 245.488;*
- (5) family community support services according to section 245.4881;*
- (6) day treatment services according to section 245.4881, subdivision 7;*
- (7) residential treatment services according to section 245.4882;*
- (8) acute care hospital inpatient treatment services according to section 245.4883;*
- (9) screening according to section 245.4885; and*
- (10) case management according to section 245.4881.*

*Subd. 3. [LOCAL CONTRACTS.] The county board shall review all proposed county agreements, grants, or other contracts related to children's mental health services from any local, state, or federal governmental sources. Contracts with service providers must:*

- (1) name the commissioner as a third party beneficiary;*

(2) identify monitoring and evaluation procedures not in violation of the Minnesota government data practices act, chapter 13, which are necessary to ensure effective delivery of quality services;

(3) include a provision that makes payments conditional on compliance by the contractor and all subcontractors with sections 245.487 to 245.4887 and all other applicable laws, rules, and standards; and

(4) require financial controls and auditing procedures.

*Subd. 4. [JOINT COUNTY MENTAL HEALTH AGREEMENTS.] To efficiently provide the children's mental health services required by sections 245.487 to 245.4887, counties are encouraged to join with one or more county boards to establish a multicounty local children's mental health authority under the joint powers act, section 471.59, the human service board act, sections 402.01 to 402.10, community mental health center provisions, section 245.62, or enter into multicounty mental health agreements. Participating county boards shall establish acceptable ways of apportioning the cost of the services.*

*Subd. 5. [LOCAL CHILDREN'S ADVISORY COUNCIL.] (a) By October 1, 1989, the county board, individually or in conjunction with other county boards, shall establish a local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council or shall include persons on its existing mental health advisory council who are representatives of children's mental health interests. The council's members must include:*

*(1) at least one person who was in a mental health program as a child;*

*(2) at least one parent of a child with severe emotional disturbance;*

*(3) one children's mental health professional;*

*(4) representatives of minority populations of significant size residing in the county;*

*(5) a representative of the children's mental health local coordinating council; and*

*(6) one family community support services program representative.*

*(b) The local children's mental health advisory council or children's mental health subcommittee of an existing advisory council shall meet at least quarterly to review, evaluate, and make recommendations regarding the local mental health system. Annually, the local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council shall:*

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

*(2) identify for the county board the individuals, providers, agencies, and associations as specified in section 245.4871, subdivision 12.*

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

*Subd. 6. [LOCAL SYSTEM OF CARE; COORDINATING COUNCIL.] (a) The county board shall establish a council of representatives of all*

members of the local system of care, including mental health, social services, educational services, correctional services, health services, and vocational services. The county board shall include a representative of an Indian reservation authority if a reservation exists within the county. When possible, the council must include a representative of juvenile court or the court responsible for juvenile issues and law enforcement. The county shall establish mechanisms that provide at least: (1) written interagency agreements with the providers of the local system of care to coordinate the delivery of services to children; and (2) an annual report of the council to the local children's mental health advisory council about the children's unmet needs and service priorities. The members of the coordinating council shall meet at least quarterly to develop recommendations to improve coordination and funding of services to children with severe emotional disturbance. A county may use an existing child-focused interagency task force to fulfill the requirements of this subdivision if the representatives and duties of the existing task force are expanded to include those specified in this subdivision.

(b) Each coordinating council shall collect information about the local system of care and report annually to the commissioner of human services on forms and in the manner prescribed by the commissioner. The report must include a description of the services provided through each of the service systems represented on the council, the various sources of funding for services, and the amounts actually expended, a description of the numbers and characteristics of the children and families served during the previous year, and an estimate of unmet needs. Each service system represented on the council shall provide information to the council as necessary to compile the report.

*Subd. 7. [OTHER LOCAL AUTHORITY.]* The county board may establish procedures and policies that are not contrary to those of the commissioner or sections 245.487 to 245.4887 regarding local children's mental health services and facilities. The county board shall perform other acts necessary to carry out sections 245.487 to 245.4887.

Sec. 41. [245.4876] [QUALITY OF SERVICES.]

*Subdivision 1. [CRITERIA.]* Children's mental health services required by sections 245.487 to 245.4887 must be:

- (1) based, when feasible, on research findings;
- (2) based on individual clinical, cultural, and ethnic needs, and other special needs of the children being served;
- (3) delivered in a manner that improves family functioning when clinically appropriate;
- (4) provided in the most appropriate, least restrictive setting available to the county board;
- (5) accessible to all age groups of children;
- (6) appropriate to the developmental age of the child being served;
- (7) delivered in a manner that provides accountability to the child for the quality of service delivered and continuity of services to the child during the years the child needs services from the local system of care;
- (8) provided by qualified individuals as required in sections 245.487 to 245.4887;

(9) coordinated with children's mental health services offered by other providers;

(10) provided under conditions that protect the rights and dignity of the individuals being served; and

(11) provided in a manner and setting most likely to facilitate progress toward treatment goals.

*Subd. 2. [DIAGNOSTIC ASSESSMENT.] All residential treatment facilities, acute care hospital inpatient treatment, and regional treatment centers that provide mental health services for children must complete a diagnostic assessment for each of their child clients within five working days of admission. Providers of outpatient and day treatment services for children must complete a diagnostic assessment within ten working days of admission. In cases where a diagnostic assessment is available and has been completed within 90 days preceding admission, only updating is necessary.*

*Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All outpatient services, day treatment services, family community support services, professional home-based family treatment, residential treatment facilities, acute care hospital inpatient treatment facilities, and all regional treatment centers that provide mental health services for children must develop an individual treatment plan for each child client. The individual treatment plan must be based on a diagnostic assessment. To the extent appropriate, the child shall be involved in all phases of developing and implementing the individual treatment plan. The individual treatment plan must be developed within ten working days of client intake or admission and reviewed every 90 days after that date, except that the administrative review of the treatment plan of a child placed in a residential facility shall be as specified in section 257.071, subdivisions 2 and 4.*

*Subd. 4. [REFERRAL FOR CASE MANAGEMENT.] Each provider of emergency services, outpatient treatment, community support services, family community support services, day treatment services, professional home-based family treatment services, residential treatment facilities, acute care hospital inpatient treatment facilities, or regional treatment center inpatient treatment must inform each child with severe emotional disturbance, and the child's parent or legal representative, of the availability and potential benefits to the child of case management. The information shall be provided in compliance with subdivision 5. If the child, child's parent, or legal representative consents to case management services in a manner consistent with the data practices act, and the provisions of subdivision 5, the provider must refer the child by notifying the county employee designated by the county board to coordinate case management activities of the child's name and address and by informing the child's family of whom to contact to request case management. The provider must document compliance with this subdivision in the child's record.*

*Subd. 5. [CONSENT FOR SERVICES OR FOR RELEASE OF INFORMATION.] (a) Although sections 245.487 to 245.4887 require each county board, within the limits of available resources, to make the mental health services listed in those sections available to each child residing in the county who needs them, the county board shall not provide any services, either directly or by contract, unless consent to the services is obtained under this subdivision. The case manager assigned to a child with a severe emotional disturbance shall not disclose to any person, other than the case*

*manager's immediate supervisor and the mental health professional providing clinical supervision of the case manager, information on the child, the child's family, or services provided to the child or the child's family without informed written consent unless required to do so by statute or under the Minnesota government data practices act. Informed written consent must comply with section 13.05, subdivision 4, paragraph (d), and specify the purpose and use for which the case manager may disclose the information.*

*(b) The consent or authorization must be obtained from the child's parent unless:*

*(1) the parental rights are terminated; or*

*(2) otherwise provided under sections 144.341 to 144.347, 253B.04, subdivision 1, 260.133, 260.135, and 260.191, subdivision 1, the terms of appointment of a court-appointed guardian or conservator, or federal regulations governing chemical dependency services.*

*Subd. 6. [INFORMATION FOR BILLING.] Each provider of outpatient treatment, family community support services, day treatment services, emergency services, professional home-based family treatment services, residential treatment, or acute care hospital inpatient treatment must include the name and home address of each child for whom services are included on a bill submitted to a county, if the release of that information under subdivision 5 has been obtained and if the county requests the information. Each provider must try to obtain the consent of the child's family. Each provider must explain to the child's family that the information can only be released with the consent of the child's family and may be used only for purposes of payment and maintaining provider accountability. The provider shall document the attempt in the child's record.*

*Subd. 7. [RESTRICTED ACCESS TO DATA.] The county board shall establish procedures to ensure that the names and addresses of children receiving mental health services and their families are disclosed only to:*

*(1) county employees who are specifically responsible for determining county of financial responsibility or making payments to providers; and*

*(2) staff who provide treatment services or case management and their clinical supervisors.*

*Release of mental health data on individuals submitted under subdivisions 4 and 5, to persons other than those specified in this subdivision, or use of this data for purposes other than those stated in subdivisions 4 and 5, results in civil or criminal liability under section 13.08 or 13.09.*

**Sec. 42. [245.4877] [EDUCATION AND PREVENTION SERVICES.]**

*Education and prevention services must be available to all children residing in the county. Education and prevention services must be designed to:*

*(1) convey information regarding emotional disturbances, mental health needs, and treatment resources to the general public and groups identified as at high risk of developing emotional disturbance under section 245.4872, subdivision 3;*

*(2) increase understanding and acceptance of problems associated with emotional disturbances;*

*(3) improve people's skills in dealing with high-risk situations known to affect children's mental health and functioning;*

*(4) prevent development or deepening of emotional disturbances; and*

*(5) refer each child with emotional disturbance or the child's family with additional mental health needs to appropriate mental health services.*

Sec. 43. [245.4878] [EARLY IDENTIFICATION AND INTERVENTION.]

*By January 1, 1991, the county boards must provide or contract for early identification and intervention services to children and their families residing in the county, consistent with section 245.4873. Early identification and intervention services must be designed to identify children who are at risk of needing or who need mental health services. The county board must provide intervention and treatment services to each child who is identified as needing the mental health service. The county board must offer intervention and treatment services to each child who is identified as being at risk of needing the services.*

Sec. 44. [245.4879] [EMERGENCY SERVICES.]

*Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] County boards must provide or contract for enough mental health emergency services within the county to meet the needs of children in the county who are experiencing an emotional crisis or emotional disturbances. A child or the child's parent may be required to pay a fee according to section 245.481. Emergency services must include assessment, intervention, and appropriate case disposition. Emergency services must:*

*(1) promote the safety and emotional stability of children with emotional disturbances or emotional crises;*

*(2) minimize further deterioration of the child with emotional disturbance or emotional crisis;*

*(3) help each child with an emotional disturbance or emotional crisis to obtain ongoing care and treatment; and*

*(4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet the child's needs.*

*Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services to the child with an emotional disturbance provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll-free telephone access to a mental health professional, a mental health practitioner, or a designated person with training in human services who receives clinical supervision from a mental health professional. When emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.*

*By January 1, 1991, emergency services must be provided by a mental health agency operated by or under contract with the county board.*

Sec. 45. [245.488] [OUTPATIENT SERVICES.]

*Subdivision 1. [AVAILABILITY OF OUTPATIENT SERVICES.] (a) County boards must provide or contract for enough outpatient services within the county to meet the needs of each child with emotional disturbance residing*

*in the county and the child's family. A child or a child's parent may be required to pay a fee in accordance with section 245.481. Outpatient services include:*

- (1) conducting diagnostic assessments;*
- (2) conducting psychological testing;*
- (3) developing or modifying individual treatment plans;*
- (4) making referrals and recommending placements as appropriate;*
- (5) treating the child's mental health needs through therapy; and*
- (6) prescribing and managing medication and evaluating the effectiveness of prescribed medication.*

*(b) County boards may request a waiver allowing outpatient services to be provided in a nearby trade area if it is determined that the child requires necessary and appropriate services that are only available outside the county.*

*(c) Outpatient services offered by the county board to prevent placement must be at the level of treatment appropriate to the child's diagnostic assessment.*

*Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that a service provider of outpatient services to children:*

*(1) meets the professional qualifications contained in sections 245.487 to 245.4887;*

*(2) uses a multidisciplinary mental health professional staff including at a minimum, arrangements for psychiatric consultation, licensed consulting psychologist consultation, and other necessary multidisciplinary mental health professionals;*

*(3) develops individual treatment plans; and*

*(4) provides initial appointments within three weeks, except in emergencies where there must be immediate access as described in section 245.4879.*

**Sec. 46. [245.4881] [CASE MANAGEMENT AND FAMILY COMMUNITY SUPPORT SERVICES.]**

*Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By July 1, 1991, the county board shall provide case management activities for each child with severe emotional disturbance residing in the county and the child's family who request or consent to the services. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.4871, subdivision 4.*

*(b) Case management services provided to children with severe emotional disturbance eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.*

*Subd. 2. [NOTIFICATION OF CASE MANAGEMENT ELIGIBILITY.] The county board shall notify, as appropriate, the child, child's parent, or legal representative of the child's potential eligibility for case management services within five working days after receiving a request from an individual or a referral from a provider under section 245.4876, subdivision*

4.

*The county board shall send a written notice that identifies the designated case management providers. The county board shall send the notice, as appropriate, to the child, the child's parent, or the child's legal representative, if any.*

**Subd. 3. [DUTIES OF CASE MANAGER.]** *(a) The case manager shall promptly arrange for a diagnostic assessment of the child when one is not available as described in section 245.4876, subdivision 2, to determine the child's eligibility as a child with severe emotional disturbance for family community support services. The county board shall notify in writing, as appropriate, the child, the child's parent, or the child's legal representative, if any, if the child is determined ineligible for family community support services.*

*(b) Upon a determination of eligibility for family support services, the case manager shall develop an individual family community support plan for a child as specified in subdivision 4, review the child's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.*

**Subd. 4. [INDIVIDUAL FAMILY COMMUNITY SUPPORT PLAN.]** *(a) For each child, the case manager must develop an individual family community support plan that incorporates the child's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual family community support plan. The case manager is responsible for developing the individual family community support plan within 30 days of intake based on a diagnostic assessment and a functional assessment and for implementing and monitoring the delivery of services according to the individual family community support plan. The case manager must review the plan every 90 calendar days after it is developed. To the extent appropriate, the child with severe emotional disturbance, the child's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual family community support plan.*

*(b) The child's individual family community support plan must state:*

*(1) the goals of each service;*

*(2) the activities for accomplishing each goal;*

*(3) a schedule for each activity; and*

*(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual family community support plan.*

**Subd. 5. [COORDINATION BETWEEN CASE MANAGER AND FAMILY COMMUNITY SUPPORT SERVICES.]** *The county board must establish procedures that ensure ongoing contact and coordination between the case manager and the family community support services as well as other mental health services for each child.*

**Subd. 6. [AVAILABILITY OF FAMILY COMMUNITY SUPPORT SERVICES.]** *By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the*



*needs of each child with severe emotional disturbance who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.*

*Family community support services must be designed to improve the ability of children with severe emotional disturbance to:*

- (1) handle basic activities of daily living;*
- (2) improve functioning in school settings;*
- (3) participate in leisure time or community youth activities;*
- (4) set goals and plans;*
- (5) reside with the family in the community;*
- (6) participate in after school and summer activities; and*
- (7) make a smooth transition into the adult mental health system as appropriate.*

*In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the use of more intensive, costly, or restrictive placements both in number of admissions and lengths of stay as determined by the child's need.*

*Subd. 7. [DAY TREATMENT SERVICES PROVIDED.] (a) By July 1, 1991, day treatment services must be developed as part of the family community support services available to each child with severe emotional disturbance residing in the county. A child or the child's parent may be required to pay a fee according to section 245.481. Day treatment services must be designed to:*

- (1) provide a structured environment for treatment;*
- (2) provide family and community support;*
- (3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet the child's need;*
- (4) coordinate with or be offered in conjunction with the school's education program;*
- (5) provide therapy and family intervention for children that are coordinated with education services provided and funded by schools; and*
- (6) operate during all 12 months of the year.*

*(b) County boards may request a waiver from including day treatment services if they can document that:*

- (1) alternative services exist through the county's family community support services for each child who would otherwise need day treatment services; and*
- (2) county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.*

*Subd. 8. [PROFESSIONAL HOME-BASED FAMILY TREATMENT PROVIDED.] (a) By January 1, 1991, county boards must provide or contract for sufficient professional home-based family treatment within the county to meet the needs of each child with severe emotional disturbance*

who is at risk of out-of-home placement due to the child's emotional disturbances or who is returning to the home from out-of-home placement. The child or the child's parent may be required to pay a fee according to section 245.481. The county board shall require that all service providers of professional home-based family treatment set fee schedules approved by the county board that are based on the child's or family's ability to pay. The professional home-based family treatment must be designed to assist each child with severe emotional disturbance who is at risk of or who is returning from out-of-home placement and the child's family to:

(1) improve overall family functioning in all areas of life;

(2) reduce the child's symptoms of emotional disturbance that contribute to a risk of out-of-home placement;

(3) provide a positive change in the emotional, behavioral, and mental well-being of children and their families; and

(4) reduce risk of out-of-home placement for the identified child with severe emotional disturbance and other siblings or successfully reunify and reintegrate into the family a child returning from out-of-home placement due to emotional disturbance.

(b) Professional home-based family treatment must be provided by a team consisting of a mental health professional and others who are skilled in the delivery of mental health services to children and families in conjunction with other human service providers. The professional home-based family treatment team must maintain flexible hours of service availability and must provide or arrange for crisis services for each family, 24 hours a day, seven days a week. Caseloads for each professional home-based family treatment team must be small enough to permit the delivery of intensive services and to meet the needs of the family. Professional home-based family treatment providers shall coordinate services and service needs with case managers assigned to children and their families. Individual treatment plans must be developed that identify the specific treatment objectives for both the child and the family.

Subd. 9. [THERAPEUTIC SUPPORT OF FOSTER CARE.] By January 1, 1992, county boards must provide or contract for foster care with therapeutic support as defined in section 245.4871, subdivision 34. Foster families caring for children with severe emotional disturbance must receive training and supportive services, as necessary, at no cost to the foster families within the limits of available resources.

Subd. 10. [BENEFITS ASSISTANCE.] The county board must offer help to a child with severe emotional disturbance and the child's family in applying for federal benefits, including supplemental security income, medical assistance, and Medicare. The help must be offered as a part of the family community support services available to each child with severe emotional disturbance for whom the county is financially responsible, and the child's family.

Sec. 47. [245.4882] [RESIDENTIAL TREATMENT SERVICES.]

Subdivision 1. [AVAILABILITY OF RESIDENTIAL TREATMENT SERVICES.] County boards must provide or contract for enough residential treatment services to meet the needs of each child with emotional disturbance residing in the county and needing this level of care. Length of stay is based on the child's residential treatment need and shall be

subject to the six-month review process established in section 257.071, subdivisions 2 and 4. Services must be made available as close to the county as possible. Residential treatment must be designed to:

- (1) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet the child's needs;
- (2) help the child improve family living and social interaction skills;
- (3) help the child gain the necessary skills to return to the community;
- (4) stabilize crisis admissions; and
- (5) work with families throughout the placement to improve the ability of the families to care for children with emotional disturbance in the home.

*Subd. 2. [SPECIFIC REQUIREMENTS.] A provider of residential services to children must be licensed under applicable rules adopted by the commissioner and must be clinically supervised by a mental health professional.*

*Subd. 3. [TRANSITION TO COMMUNITY.] Residential treatment facilities and regional treatment centers serving children must plan for and assist those children and their families in making a transition to less restrictive community-based services. Residential treatment facilities must also arrange for appropriate follow-up care in the community. Before the child is discharged, the residential treatment facility must notify the child's case manager, if any, so that the case manager can monitor the transition and arrangements for the child's appropriate follow-up care in the community.*

**Sec. 48. [245.4883] [ACUTE CARE HOSPITAL INPATIENT SERVICES.]**

*Subdivision 1. [AVAILABILITY OF ACUTE CARE HOSPITAL INPATIENT SERVICES.] County boards must make available through contract or direct provision enough acute care hospital inpatient treatment services as close to the county as possible for children with emotional disturbances residing in the county needing this level of care. Acute care hospital inpatient treatment services must be designed to:*

- (1) stabilize the medical and mental health condition for which admission is required;
- (2) improve functioning to the point where discharge to residential treatment or community-based mental health services is possible;
- (3) facilitate appropriate referrals for follow-up mental health care in the community; and
- (4) work with families to improve the ability of the families to care for these children with emotional disturbances at home.

*Subd. 2. [SPECIFIC REQUIREMENTS.] Providers of acute care hospital inpatient services for children must meet applicable standards established by the commissioners of health and human services.*

**Sec. 49. [245.4885] [SCREENING FOR INPATIENT AND RESIDENTIAL TREATMENT.]**

*Subdivision 1. [SCREENING REQUIRED.] The county board shall ensure that all children are screened before they are admitted for treatment of emotional disturbance to a residential treatment facility, an acute care hospital, or informally admitted to a regional treatment center if public funds are used to pay for the services. Screening shall be in compliance*

with section 256F.07 or 257.071, whichever applies, to determine whether:

(1) an admission is necessary;

(2) the length of stay is as short as possible consistent with the individual child's need; and

(3) the case manager, if assigned, is developing an individual family community support plan.

The screening process and placement decision must be documented in the child's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards in clauses (1) to (3).

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

**Subd. 3. [INDIVIDUAL PLACEMENT AGREEMENT.]** The county board shall enter into an individual placement agreement with a provider of residential treatment services to a child eligible for county-paid services under this section. The agreement must specify the payment rate and terms and conditions of county payment for the placement.

**Subd. 4. [TASK FORCE ON RESIDENTIAL AND INPATIENT TREATMENT SERVICES FOR CHILDREN.]** The commissioner of human services shall appoint a task force on residential and inpatient treatment services for children that includes representatives from each of the mental health professional categories defined in section 245.4871, subdivision 27, the Minnesota mental health association, the Minnesota alliance for the mentally ill, the children's mental health initiative, the Minnesota mental health law project, department of human services staff, the department of education, the department of corrections, the ombudsman for mental health and mental retardation, residential treatment facilities for children, inpatient hospital facilities for children, and counties. The task force shall examine and evaluate existing mechanisms that have as their purpose review of appropriate admission and need for continued care for all children with emotional disturbances who are admitted to residential treatment, acute care hospital inpatient treatment, and regional treatment center inpatient treatment. These mechanisms shall include at least the following: precommitment screening, preplacement screening for children, licensure and reimbursement rules, county monitoring, technical assistance, hospital preadmission certification, and hospital retrospective reviews. The task force shall report to the legislature by February 15, 1990, on how existing mechanisms may be changed to accomplish the goals of screening as described in subdivision 1.

**Sec. 50. [245.4886] [APPEALS.]**

A child or a child's family, as appropriate, who requests mental health

*services under sections 245.487 to 245.4887 must be advised of services available and the right to appeal as described in this section at the time of the request and each time the individual family community support plan or individual treatment plan is reviewed. A child whose request for mental health services under sections 245.487 to 245.4887 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated by action or inaction for which the county board is responsible under sections 245.487 to 245.4887 may contest that action or inaction before the state agency according to section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.*

**Sec. 51. [245.4887] [CHILDREN'S SECTION OF LOCAL MENTAL HEALTH PROPOSAL.]**

*Subdivision 1. [TIME PERIOD.] The county board shall submit its first complete children's section of its local mental health proposal to the commissioner by November 15, 1989. Subsequent proposals must be on the same two-year cycle as community social service plans. If a proposal complies with sections 245.487 to 245.4887, it satisfies the requirement of the community social service plan for the emotionally disturbed target population as required by section 256E.09. The proposal must be made available upon request to all residents of the county at the same time it is submitted to the commissioner.*

*Subd. 2. [PROPOSAL CONTENT.] The children's section of the local mental health proposal must include:*

*(1) a report of the local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council on unmet needs of children and any other needs assessment used by the county board in preparing the local mental health proposal including the report of the local coordinating council or local interagency task force specified in section 245.4875, subdivision 6;*

*(2) a description of the involvement of the local children's mental health advisory council or the children's mental health subcommittee of the existing local mental health advisory council in preparing the local mental health proposal and methods used by the county board to ensure adequate and timely participation of citizens, mental health professionals, and providers in development of the local mental health proposal;*

*(3) information for the preceding year, including the actual number of children who received each of the mental health services listed in sections 245.487 to 245.4887, and actual expenditures for each mental health service and service waiting lists; and*

*(4) the following information describing how the county board intends to meet the requirements of sections 245.487 to 245.4887 during the proposal period:*

*(i) specific objectives and outcome goals for each mental health service listed in sections 245.487 to 245.4887;*

*(ii) a description of each service provider, including county agencies, contractors, and subcontractors, that is expected to either be the sole provider of one of the mental health services described in sections 245.487 to 245.4887 or to provide over \$10,000 of mental health services per year, including a listing of the professional qualifications of the staff involved*

*in service delivery for the county;*

*(iii) a description of how the mental health services in the county will be unified and coordinated including the mechanism established by the county board providing for interagency coordination as specified in section 245.4875, subdivision 6;*

*(iv) the estimated number of children who will receive each mental health service; and*

*(v) estimated expenditures for each mental health service and revenues for the entire proposal.*

*Subd. 3. [PROPOSAL FORMAT.] The children's section of the local mental health proposal must be made in a format prescribed by the commissioner.*

*Subd. 4. [PROVIDER APPROVAL.] The commissioner's review of the children's section of the local mental health proposal must include a review of the qualifications of each service provider required to be identified in the children's section of the local mental health proposal under subdivision 2. The commissioner may reject a county board's proposal for a particular provider if:*

*(1) the provider does not meet the professional qualifications contained in sections 245.487 to 245.4887;*

*(2) the provider does not have adequate fiscal stability or controls to provide the proposed services as determined by the commissioner; or*

*(3) the provider is not in compliance with other applicable state laws or rules.*

*Subd. 5. [SERVICE APPROVAL.] The commissioner's review of the children's section of the local mental health proposal must include a review of the appropriateness of the amounts and types of children's mental health services in the children's section of the local mental health proposal. The commissioner may reject the county board's proposal if the commissioner determines that the amount and types of services proposed are not cost effective, do not meet children's needs, or do not comply with sections 245.487 to 245.4887.*

*Subd. 6. [PROPOSAL APPROVAL.] The commissioner shall review each children's section of the local mental health proposal within 90 days and work with the county board to make any necessary modifications to comply with sections 245.487 to 245.4887. After the commissioner has approved the proposal, the county board is eligible to receive an allocation of mental health and community social service act funds.*

*Subd. 7. [PARTIAL OR CONDITIONAL APPROVAL.] If the children's section of the local mental health proposal is in substantial compliance, but not in full compliance with sections 245.487 to 245.4887, and necessary modifications cannot be made before the proposal period begins, the commissioner may grant partial or conditional approval and withhold a proportional share of the county board's mental health and community social service act funds until full compliance is achieved.*

*Subd. 8. [AWARD NOTICE.] Upon approval of the county board proposal, the commissioner shall send a notice of approval for funding. The notice must specify any conditions of funding and is binding on the county board. Failure of the county board to comply with the approved proposal*

and funding conditions may result in withholding or repayment of funds according to section 245.483.

*Subd. 9. [PLAN AMENDMENT.] If the county board finds it necessary to make significant changes in the approved children's section of the local mental health proposal, it must present the proposed changes to the commissioner for approval at least 30 days before the changes take effect. "Significant changes" means:*

*(1) the county board proposes to provide a children's mental health service through a provider other than the provider listed for that service in the approved local proposal;*

*(2) the county board expects the total annual expenditures for any single children's mental health service to vary more than ten percent or \$5,000, whichever is greater, from the amount in the approved local proposal;*

*(3) the county board expects a combination of changes in expenditures per children's mental health service to exceed more than ten percent of the total children's mental health services expenditures; or*

*(4) the county board proposes a major change in the specific objectives and outcome goals listed in the approved local children's mental health proposal.*

Sec. 52. Minnesota Statutes 1988, section 245.62, subdivision 3. is amended to read:

**Subd. 3. [CLINICAL DIRECTOR SUPERVISOR.]** All community mental health center services shall be provided under the clinical ~~direction~~ supervision of a licensed consulting psychologist licensed under sections 148.88 to 148.98, or a physician who is board certified or eligible for board certification in psychiatry, and who is licensed under section 147.02.

Sec. 53. Minnesota Statutes 1988, 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) (5) cooperate with the commissioners of health and jobs and training to coordinate services and programs for people with mental illness;~~

~~(7) (6) convene meetings with the commissioners of corrections, health, education, and commerce at least four times each year for the purpose of coordinating services and programs for children with mental illness and~~

children with emotional or behavioral disorders;

~~(8)~~ (7) evaluate the needs of people with mental illness as they relate to assistance payments, medical benefits, nursing home care, and other state and federally funded services;

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

~~(10)~~ (9) 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;

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

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

~~(13)~~ (12) 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;

~~(14)~~ (13) 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;

~~(15)~~ (14) 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

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

Sec. 54. Minnesota Statutes 1988, section 245.697, subdivision 2a, is amended to read:

Subd. 2a. [SUBCOMMITTEE ON CHILDREN'S MENTAL HEALTH.]

(a) 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~~ *emotional disturbances*;

(4) providers of children's mental health services, including at least one



provider of services to preadolescent children, one provider of services to adolescents, and one hospital-based provider:

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

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

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

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

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

(10) members of the advisory council; and

(11) county commissioners and social services agency representatives.

The chair of the advisory council shall appoint subcommittee members described in clauses (3) to (11) through the process established in section 15.0597. The chair shall appoint members to ensure a geographical balance on the subcommittee. Terms, compensation, removal, and filling of vacancies are governed by subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair who is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

*(b) The subcommittee members listed in paragraph (a), clauses (1) and (2), shall meet monthly through 1992 to:*

*(1) provide information about issues discussed;*

*(2) recommend policy and procedural changes needed in the agency or agencies they represent;*

*(3) educate members about each representative's agency policies, procedures, funding, and services for children;*

*(4) develop mechanisms for interagency coordination on behalf of children with emotional disturbances;*

*(5) identify barriers within all agencies represented that interfere with service delivery;*

*(6) identify barriers to service delivery at the state level;*

*(7) identify mechanisms for better use of federal and state funding; and*

*(8) prepare an annual report on the policy and procedural changes needed to implement a coordinated, effective, and efficient child mental health delivery system. This report shall be submitted to the commissioner of human services, the state mental health advisory council, and the children's subcommittee of the state mental health advisory council.*

Sec. 55, Minnesota Statutes 1988, section 245.713, subdivision 2, is amended to read:

Subd. 2. [TOTAL FUNDS AVAILABLE; ALLOCATION.] Funds granted to the state by the federal government under United States Code, title 42,

sections 300X to 300X-9 each federal fiscal year for mental health services must be allocated as follows:

(a) Any amount set aside by the commissioner of human services for American Indian organizations within the state, which funds shall not duplicate any direct federal funding of American Indian organizations and which funds shall be at least 25 percent of the total federal allocation to the state for mental health services; provided that sufficient applications for funding are received by the commissioner which meet the specifications contained in requests for proposals. Money from this source may be used for special committees to advise the commissioner on mental health programs and services for American Indians and other minorities or underserved groups. For purposes of this subdivision, "American Indian organization" means an American Indian tribe or band or an organization providing mental health services that is legally incorporated as a nonprofit organization registered with the secretary of state and governed by a board of directors having at least a majority of American Indian directors.

(b) An amount not to exceed ~~ten~~ five percent of the federal block grant allocation for mental health services to be retained by the commissioner for administration.

(c) Any amount permitted under federal law which the commissioner approves for demonstration or research projects for severely disturbed children and adolescents, the underserved, special populations or multiply disabled mentally ill persons. The groups to be served, the extent and nature of services to be provided, the amount and duration of any grant awards are to be based on criteria set forth in the Alcohol, Drug Abuse and Mental Health Block Grant Law, United States Code, title 42, sections 300X to 300X-9, and on state policies and procedures determined necessary by the commissioner. Grant recipients must comply with applicable state and federal requirements and demonstrate fiscal and program management capabilities that will result in provision of quality, cost-effective services.

(d) The amount required under federal law, for federally mandated expenditures.

(e) An amount not to exceed ~~ten~~ 15 percent of the federal block grant allocation for mental health services to be retained by the commissioner for planning and evaluation.

Sec. 56. Minnesota Statutes 1988, section 245.73, subdivision 4, is amended to read:

Subd. 4. [RULES; REPORTS.] The commissioner shall promulgate an emergency and permanent rule to govern grant applications, approval of applications, allocation of grants, and maintenance of service and financial records by grant recipients. The commissioner shall require collection of data for compliance, monitoring and evaluation purposes and shall require periodic reports to demonstrate the effectiveness of the services in helping adult mentally ill persons remain and function in their own communities. *As a part of the report required by section 245.461*, the commissioner shall report to the legislature ~~no later than December 31~~ of each ~~even-numbered year~~ as to the effectiveness of this program and recommendations regarding continued funding.

Sec. 57. [STUDY.]

*The commissioner of human services shall, in cooperation with the commissioner of health, study and submit to the legislature by February 15, 1991, a report and recommendations regarding: (1) plans and fiscal projections for increasing the number of community-based beds, small community-based residential programs, and support services for persons with mental illness, including persons for whom nursing home services are inappropriate, to serve all persons in need of those programs; and (2) the projected fiscal impact of maximizing the availability of medical assistance coverage for persons with mental illness.*

**Sec. 58. [USE OF GRANT MONEY FOR DEMONSTRATION PROJECTS FOR THERAPEUTIC FOSTER CARE.]**

*If money is appropriated to the commissioner of human services for the biennium ending June 30, 1991, for demonstration projects for therapeutic foster care programs, one grant must be awarded to an existing program in Olmsted county.*

**Sec. 59. [REPEALER.]**

*Minnesota Statutes 1988, sections 245.462, subdivision 25: 245.471; 245.475; 245.64; and 245.698, are repealed."*

Amend the title as follows:

Page 1, line 18, delete "subdivisions 2, 3, and 4" and insert "subdivision 3"

Page 1, line 24, delete "245.61;"

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 re-referred

S.F. No. 879: A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116I.01, subdivision 3; 116I.05; 216D.01, subdivisions 9 and 10, and by adding a subdivision; 299F.56, subdivisions 5 and 6a; 299F.57; 299F.59, subdivision 1; 299F.60; 299F.61; 299F.62; 299F.63; 299F.631; 299F.641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.05; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, section 299J.09.

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

Page 2, line 12, delete "the department of"

Page 2, line 21, delete "its agencies" and insert "a state agency"

Page 2, line 35, after the period, insert "An operator subject to section 11 who violates sections 216D.01 to 216D.07 is subject to a civil penalty to be imposed under section 299F.60."

Page 3, after line 17, insert:

*"Subd. 4. [RULES.] The commissioner shall adopt rules establishing reasonable guidelines for imposing penalties. The rules must provide for notice that a penalty is assessed and may exempt activities from penalties*

*unless the excavator or operator as defined in this section has evidenced a course of action in disregard of this chapter."*

Page 3, line 31, after "afford" insert "an" and after "opportunity" insert "to present views"

Page 4, line 29, strike "MINIMUM"

Page 7, line 30, delete "299.641" and insert "299F.641"

Page 7, line 33, delete "and" and insert "or"

Page 9, line 9, strike "299E.64" and insert "299F.641"

Page 10, line 13, delete "or" and insert "and"

Page 10, line 17, after "person" insert "subject to regulation under sections 299F.56 to 299F.641"

Page 10, line 19, before "sections" insert "those" and strike "299E.56 to"

Page 10, line 20, delete "299F.641"

Page 10, line 21, before "sections" insert "those" and strike "299E.56 to" and delete the new language

Page 11, line 9, delete "concerned with" and insert "authorized to"

Page 11, line 10, delete "enforcing" and insert "enforce"

Page 12, line 34, delete "the costs spent on"

Page 18, line 9, delete ", as amended," and after "the" insert "federal"

Page 18, line 10, delete ", as amended"

Page 18, line 35, reinstate the stricken "all"

Page 21, line 12, after "adopt" insert ", by December 31, 1990,"

Page 24, line 28, after the first "the" insert "amount of the"

Page 24, lines 32 and 33, delete "spent on" and insert "incurred in"

Page 25, line 8, delete "to be"

Page 25, line 9, after "operator" insert "in Minnesota"

Amend the title as follows:

Page 1, line 5, delete the first "and" and insert a comma

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. 143: A bill for an act relating to public safety; appropriating fees charged by state patrol and capitol complex security division for escort and contracted security services; proposing coding for new law in Minnesota Statutes, chapters 299D and 299E.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1988, section 299D.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The commissioner is hereby authorized to employ and designate a chief supervisor, a chief assistant supervisor, and such assistant supervisors, sergeants and officers as are provided by law, who shall comprise the Minnesota state patrol. The members of the Minnesota state patrol shall have the power and authority:

(1) As peace officers to enforce the provisions of the law relating to the protection of and use of trunk highways.

(2) At all times to direct all traffic on trunk highways in conformance with law, and in the event of a fire or other emergency, or to expedite traffic or to insure safety, to direct traffic on other roads as conditions may require notwithstanding the provisions of law.

(3) To serve warrants and legal documents anywhere in the state.

(4) To serve orders of the commissioner of public safety or the commissioner's duly authorized agents issued under the provisions of the Drivers License Law, the Safety Responsibility Act, or relating to authorized brake and light testing stations, anywhere in the state and to take possession of any license, permit or certificate ordered to be surrendered.

(5) To inspect official brake and light adjusting stations.

(6) To make appearances anywhere within the state for the purpose of conducting traffic safety educational programs and school bus clinics.

(7) To exercise upon all trunk highways the same powers with respect to the enforcement of laws relating to crimes, as sheriffs, constables and police officers.

(8) To cooperate, under instructions and rules of the commissioner of public safety, with all sheriffs and other police officers anywhere in the state, provided that said employees shall have no power or authority in connection with strikes or industrial disputes.

(9) To assist and aid any peace officer whose life or safety is in jeopardy.

(10) As peace officers to provide security and protection to the governor, governor elect, either or both houses of the legislature, and state buildings or property in the manner and to the extent determined to be necessary after consultation with the governor, or a designee. Pursuant to this clause, members of the state patrol, acting as peace officers have the same powers with respect to the enforcement of laws relating to crimes, as sheriffs, constables and police officers have within their respective jurisdictions.

(11) To inspect school buses anywhere in the state for the purposes of determining compliance with vehicle equipment, pollution control, and registration requirements.

(12) As peace officers to make arrests for public offenses committed in their presence anywhere within the state. Persons arrested for violations other than traffic violations shall be referred forthwith to the appropriate local law enforcement agency for further investigation or disposition.

~~Notwithstanding any provision of law to the contrary, The state may contract for state patrol members to render the services described in this section in excess of their regularly scheduled duty hours to a governmental~~

~~unit pursuant to section 471-59,~~ and patrol members rendering such services shall be compensated in such amounts, manner and under such conditions as the agreement provides.

Employees thus employed and designated shall subscribe an oath and furnish a bond running to the state of Minnesota, said bond to be approved and filed in the office of the secretary of state."

Page 1, line 20, delete "and 2" and insert "to 3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1988, section 299D.03, subdivision 1;"

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. 632: A bill for an act relating to credit unions; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts; amending Minnesota Statutes 1988, sections 52.17, subdivision 1; and 52.24, subdivisions 1 and 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 1988, section 52.02, subdivision 1, is amended to read:

Subdivision 1. [AMENDMENTS BY MEMBERS.] (a) To amend the certificate of organization or bylaws, proposed amendments shall be set forth as follows:

(1) if balloting by mail has not been authorized by the board of directors, then *a statement of intent to amend which identifies* the proposed amendments shall be set forth in the notice of the meeting; or

(2) if balloting by mail has been authorized by the board of directors as either the exclusive means of voting or in conjunction with voting in person, *a statement of intent to amend which identifies* the proposed amendments shall be set forth in a notice mailed to all members eligible to vote at least ~~ten~~ 30 days prior to the close of balloting by mail. Any amendments to the certificate of organization or bylaws shall be approved by two-thirds vote of the members actually voting, if the members actually voting constitute a quorum.

(b) *A member receiving notice of a proposed bylaw amendment pursuant to this subdivision may request a written copy of the proposed bylaw amendment. This request must be made no later than ten days prior to the close of balloting by mail or the date set for the meeting. The credit union shall provide the member with a written copy of the proposed bylaw amendment upon receipt of a timely request and the original notice must inform the member of the right to make a request. A copy of the proposed amendments shall be posted in the credit union's office for member review 30 days prior to the close of balloting by mail or the date of the meeting.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing members with written notice regarding proposed bylaw amendments;"

Page 1, line 5, after "sections" insert "52.02, subdivision 1;"

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. 863: A bill for an act relating to financial institutions; providing standards for determining transaction account service charges; permitting state banks to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules regarding activities of banks and bank subsidiaries; amending Minnesota Statutes 1988, sections 48.512, 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 19, after the semicolon, insert "and"

Page 2, line 21, delete "; and" and insert a period

Page 2, delete line 22

Page 3, delete section 3

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. 631: A bill for an act relating to electric utilities; clarifying authority of public utilities commission to change boundaries of electric utility service areas; amending Minnesota Statutes 1988, section 216B.39, subdivisions 3, 5, and 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. [STUDY; ELECTRIC UTILITY SERVICE AREAS.]

*Subdivision 1. [TASK FORCE.] A task force consisting of five members of the house of representatives appointed by the speaker of the house, five members of the senate appointed by the subcommittee on committees of the committee on rules and administration, the chair of the public utilities commission or the chair's designate, and the commissioner of public service or the commissioner's designate shall study issues relating to changes in boundaries of electric utility service areas and shall report its findings and recommendations to the legislature by February 1, 1990. At least one member from each house of the legislature must be a member of the minority caucus.*

*Subd. 2. [DEFINITION.] For purposes of this section, "electric utility" or "utility" means a wholesale or retail cooperative electric association*

and a municipal electric utility as well as a public utility regulated under Minnesota Statutes, chapter 216B.

*Subd. 3. [STUDY.] The study must address all issues relating to the setting and changing of service area boundaries, including, but not limited to:*

*(1) the extent, if any, to which rates within service areas should be a factor in determining or changing service area boundaries;*

*(2) why and how excess capacity occurs and whether it should be reduced through short-term or long-term sale or lease, permanent sale of capacity, or other means;*

*(3) the extent, if any, to which excess capacity of a utility and the need of another utility for additional power should be a factor in determining or changing service areas;*

*(4) the effect on rates, and on the potential for equalization of rates among utilities, of capacity-reduction options;*

*(5) plant efficiency, including operating efficiency and operating costs, management practices, and the impact of any federal regulation or oversight;*

*(6) the impact on economic development;*

*(7) rate-making policies and procedures; and*

*(8) municipal authority and the relationship between service area boundaries and municipal boundaries.*

*Subd. 4. [AGENCY, UTILITY COOPERATION.] The public utilities commission and the department of public service shall cooperate with the task force. Utilities shall furnish information, including access to their financial and other records, to the task force, the public utilities commission, or the department of public service upon request.*

*Subd. 5. [STAFF] The task force shall use legislative staff, and the public utilities commission and department of public service shall make staff available to assist the task force.*

*Subd. 6. [CONSULTANTS; ASSESSMENT OF COSTS.] The public utilities commission may employ the services of consultants to assist the task force and may assess the costs associated with the task force study, but not more than \$200,000, to the affected utilities in proportion to their gross operating revenues. The commission shall use the proceeds of any assessment under this subdivision to cover its own costs and those incurred by the department of public service, including costs associated with providing staff assistance to the task force.*

*Subd. 7. [SUBPOENA POWER.] The task force may request the issuance of subpoenas, including subpoenas duces tecum, in the same manner as a standing or interim committee under Minnesota Statutes, section 3.153. A subpoena requested by the task force may be issued by either the chief clerk of the house of representatives or the secretary of the senate. Service and enforcement of a subpoena is governed by section 3.153.*

**Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective the day following final enactment."*

Delete the title and insert:



"A bill for an act relating to electric utilities; service areas; establishing a task force to study issues relating to service area boundary changes; authorizing the public utilities commission to assess costs associated with the study."

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. 1189: A bill for an act relating to state buildings; establishing a state policy of barrier-free environments for state owned and leased buildings; appropriating money.

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

Page 2, line 1, delete "shall" and insert "must"

Page 2, line 3, delete "federal section 504"

Page 2, line 4, after "requirements" insert "of section 504 of the Rehabilitation Act of 1973, Public Law Number 93-112"

Page 2, line 9, delete from "No" through page 2, line 11, to "council."

Page 2, line 11, delete "shall be" and insert "is"

Page 2, line 12, delete ", major remodeling"

Page 2, line 13, delete the comma

Page 2, line 28, delete "I" and insert "I"

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. 855: A bill for an act relating to state employees; authorizing the department of transportation to permit the donation of vacation time for unreimbursed medical expenses; proposing coding for new law in Minnesota Statutes, chapter 174.

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

Delete everything after the enacting clause and insert:

"Section 1. [UNREIMBURSED MEDICAL COSTS VACATION DONATION PROGRAM.]

*Subdivision 1. [DONATION OF VACATION TIME.] A state employee may donate up to eight hours of accrued vacation time in calendar year 1989 to the account established by subdivision 2 for the benefit of another state employee. The employee must notify the employee's agency head of the amount of accrued vacation time the employee wishes to donate and the name of the other state employee who is to benefit from the donation. The agency head shall determine the monetary value of the donated time, using the gross salary of the employee making the donation. The agency head shall transfer that amount to the account established by subdivision*

2. A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

*Subd. 2. [BENEFIT ACCOUNT.] The vacation benefit account, consisting of money transferred under subdivision 1, is administered by the commissioner of employee relations. Money in the account is appropriated to the commissioner for purposes of this section until January 1, 1991. Any appropriation remaining in the account on that date is transferred to the commissioner of commerce to cover costs of the study required by subdivision 5.*

*Subd. 3. [USE OF ACCOUNT ASSETS.] Expenditures from the account may be made only to pay unreimbursed medical expenses when the total of those expenses is at least \$10,000 and the expenses are incurred because of the illness of or injury to a state employee or the employee's spouse or dependent. An expenditure on behalf of an employee may not exceed the total transferred into the account established by subdivision 2 because of a donation or donations of vacation time for the benefit of that employee.*

*Subd. 4. [TAX CONSEQUENCES.] So far as possible, the commissioner shall administer the account in such a way that no tax burden or benefit is imposed or granted to those who donate accrued vacation time or those who benefit from a donation.*

*Subd. 5. [STUDY; TRANSPLANT SURGERY.] The commissioner of commerce shall study the feasibility of:*

*(1) requiring all policies or plans of health, medical, hospitalization, or accident and sickness insurance, and all health maintenance organizations providing coverage of or reimbursement for inpatient hospital and medical expenses to cover the costs of nonexperimental transplant surgery; and*

*(2) defining experimental and nonexperimental transplant surgery for purposes of this subdivision.*

*The commissioner shall report the results of the study and any recommendations resulting from the study to the legislature by January 15, 1991.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to state employees; authorizing the donation of accrued vacation time by state employees in 1989 to pay unreimbursed medical costs incurred by other state employees."

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. 109: A bill for an act relating to employment; requiring breaks during the work day; amending Minnesota Statutes 1988, 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:

Page 1, lines 7 and 8, delete "LUNCH" and insert "MEAL"

Page 1, line 8, delete "provide" and insert "permit"

Page 1, line 9, delete everything after "employee"

Page 1, line 10, delete "workday if the employee" and insert "who" and delete "eight" and insert "six"

Page 1, line 11, before the period, insert "sufficient time to eat a meal" and delete everything after the period

Page 1, delete lines 12 and 13

Page 1, lines 15 and 18, delete "lunch" and insert "meal"

Amend the title as follows:

Page 1, line 2, before "breaks" insert "meal"

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. 864: A bill for an act relating to corrections; authorizing a grant to support a statewide coalition of sexual assault programs, agencies, and providers; 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.

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

S.F. No. 1031: A bill for an act relating to health; establishing notice requirements for emergency medical services personnel who are first responders; providing safeguards for first responders against exposure to infectious diseases; 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 2, line 7, delete "and"

Page 2, line 9, before the period, insert "": and

*(5) correctional guards employed by the state or a local unit of government who experience a significant exposure to an inmate who is transported to a facility for emergency medical care"*

Page 3, after line 26, insert:

*"Subd. 3. [IMMUNITY.] A facility is not civilly or criminally liable for actions relating to the notification of emergency medical services personnel if the facility has made a good faith effort to adopt and follow a notification protocol."*

Page 4, line 14, delete everything after the period

Page 4, delete lines 15 to 17

Page 5, line 13, after "release" insert ", by an individual or agency

*described in section 1, subdivision 4 or 5,” and before “information” insert “personally identifying”*

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 re-referred

S.F. No. 237: A bill for an act relating to pollution; regulating the disposal of infectious and pathological wastes; providing for penalties for violation; appropriating money; amending Minnesota Statutes, section 609.671, 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 1, lines 10 and 11, delete “*and pathological*”

Page 2, delete lines 20 to 25 and insert:

*“Subd. 13. [LABORATORY WASTE.] “Laboratory waste” means waste cultures and stocks of agents that are infectious to humans; discarded contaminated items used to inoculate, transfer, or otherwise manipulate cultures or stocks of agents that are infectious to humans; wastes from the production of biological agents that are infectious to humans; and discarded live or attenuated vaccines that are infectious to humans.”*

Page 3, delete lines 4 to 8 and insert:

*“Subd. 17. [RESEARCH ANIMAL WASTE.] “Research animal waste” means carcasses, body parts, and blood derived from animals intentionally exposed to agents that are infectious to humans for the purpose of research, production of biologicals, or testing of pharmaceuticals.”*

Page 3, line 17, delete “INFECTIOUS”

Page 3, lines 19 and 20, delete “*and pathological*”

Page 3, lines 21, 23, 28, and 29, delete “*or pathological*”

Page 3, line 24, delete “*or “pathological waste”*”

Page 4, after line 2, insert:

*“Subd. 4. [PATHOLOGICAL WASTE.] Pathological waste must be disposed of according to sanitary standards established by state and federal laws or regulations for the disposal of the waste.”*

Page 4, line 8, delete “*and pathological*”

Renumber the subdivisions in sequence

Page 5, line 2, delete “*pathological and*”

Page 6, line 19, delete “OR PATHOLOGICAL”

Page 6, lines 20 and 21, delete “*or pathological*”

Page 6, lines 23 and 24, delete “*or pathological*”

Page 6, lines 27 and 28, delete “*or pathological*”

Page 6, line 32, delete “*and pathological waste*”

Page 6, line 35, delete "*or pathological waste*"

Page 7, lines 1 and 12, delete "*and pathological*"

Page 7, line 4, delete "*or pathological wastes*" and insert "*waste*"

Page 7, lines 7 and 8, delete "*or pathological waste*"

Page 8, line 1, delete everything after "*transport*"

Page 8, lines 8 and 10, delete "*or pathological*"

Page 8, line 30, delete "*, pathological waste,*"

Amend the title as follows:

Page 1, line 5, after "Statutes" insert "1988"

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

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

S.F. No. 422: A bill for an act relating to child maltreatment; authorizing the commissioner of human services to provide for the establishment of a statewide 24-hour toll-free telephone helpline; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

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. 1233: A bill for an act relating to human services; expanding the work readiness program; removing time limits on work readiness assistance; requiring participation in work readiness activities as a condition of receiving assistance; establishing notice and appeal requirements; establishing residency requirements; amending Minnesota Statutes 1988, sections 256D.01, subdivisions 1, 1a, 1b, and 1c; 256D.02, subdivisions 1, 4, and by adding a subdivision; 256D.03, subdivision 2; 256D.05, subdivision 1, and by adding a subdivision; 256D.051, subdivisions 1, 2, 3, 6, 8, 13, and by adding subdivisions; 256D.052, subdivisions 1, 2, 3, and 4; 256D.101; 2456D.111, subdivision 5; and 256G.03, subdivision 1; repealing Minnesota Statutes 1988, section 256D.052, subdivisions 5, 6, and 7.

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

Page 7, line 15, delete "*that term is*" and insert "*those terms are*"

Page 7, after line 16, insert:

"(4) by participating in work readiness activities under section 256D.051; or"

Page 7, line 17, delete "(4)" and insert "(5)"

Page 10, line 30, delete "(8)" and strike "a person who has substantial barriers to"

Page 10, strike lines 31 to 34

Page 10, line 35, strike “and training” and insert “(8) a person who has been assessed by a qualified professional as not being likely to obtain permanent employment. The assessment must consider the recipient’s age, physical and mental health, education, amenability to training, prior work experience, and the local labor market”

Page 12, line 15, delete “and”

Page 12, line 17, after “employment” insert “; and

(14) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day”

Page 13, line 22, after “children” insert “. unless requested by the assistance unit”

Page 13, line 36, after the stricken period, insert “A person, family, or couple who cannot demonstrate state residency but who meets all other eligibility requirements may participate in work readiness activities for purposes of demonstrating state residency under section 7, clause (4).”

Page 14, line 15, delete “initial participation is achieved” and insert “participation in the work readiness orientation”

Page 16, line 23, after “program” insert “. as provided in section 256D.051, subdivision 3b” and strike “A registrant who is”

Page 16, strike lines 24 to 27

Page 16, line 35, delete “18” and insert “19”

Page 17, lines 33 and 34, delete “for that pay period”

Page 17, line 36, delete “can” and insert “must”

Page 18, line 2, delete “can” and insert “must”

Page 18, line 34, delete “provide” and insert “receive”

Page 19, after line 1, insert:

“Sec. 19, Minnesota Statutes 1988, section 256D.051, subdivision 6a, is amended to read:

Subd. 6a. ~~[COUNTY MATCH AND USE OF FUNDS.] Each county shall provide a 25 percent match for direct participation expenses and administrative costs of providing work readiness services.~~ Funds may be used for the following direct participation expenses: transportation, clothes, tools, and other necessary work-related expenses. Funds may be used for administrative costs incurred providing the following services: employability assessments and employability development plans, employment search assistance, education, orientation, placement, on-the-job training, and other appropriate activities.”

Page 21, line 3, strike “GENERAL ASSISTANCE” and insert “WORK READINESS”

Page 21, line 25, after “local agency” insert “or its agent”

Page 22, line 8, after the comma, insert “the recipient must be assigned a schedule by which a recipient is to visit the agency to pick up any notices. For a recipient without a mailing address.”

Page 22, line 9, delete “prepared by” and insert “of the registrant’s next

*scheduled visit with"*

Page 22, line 15, delete "for that pay period"

Page 22, line 17, before the period, insert "and reinstate work readiness payments"

Page 22, line 19, after "five" insert "working"

Page 24, delete section 29

Page 25, line 6, delete "31" and insert "9 and 11 to 30" and after the period, insert "Section 10 is effective July 1, 1989."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after "6," insert "6a."

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. 870: A bill for an act relating to insurance; life: allowing insurance policies to contain a rider providing for early payment of benefits to recipients of long-term care: amending Minnesota Statutes 1988, sections 60A.06, subdivisions 1 and 3; and 62A.46, subdivision 2.

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

Page 3, lines 10 and 11, delete the new language

Page 5, line 4, delete "solely if the" and insert a period

Page 5, delete lines 5 and 6

Page 5, delete section 3 and insert:

"Sec. 3. [61A.072] [POLICIES WITH ACCELERATED BENEFITS.]

*Subdivision 1. [DISCLOSURE.] A life insurance contract or supplemental contract that contains a provision to permit the accelerated payment of benefits as authorized under section 60A.06, subdivision 1, clause (4), must contain the following disclosure: "This is a life insurance policy which pays accelerated death benefits at your option under conditions specified in the policy. This policy is not a long-term care policy meeting the requirements of sections 62A.46 to 62A.56."*

*Subd. 2. [ADVERTISEMENTS.] Any advertisement related to a contract or supplemental contract providing for the payment of accelerated benefits must be approved by the commissioner prior to its use. The commissioner shall not approve the advertisement if it is likely to lead a prospective purchaser to believe that it is a long-term care policy.*

*Subd. 3. [PROHIBITION.] No contract or supplemental contract providing for the payment of accelerated benefits may be offered or sold to an individual over the age of 65 years.*

*Subd. 4. [LONG-TERM CARE EXPENSES.] If the right to receive accelerated benefits is contingent upon the insured receiving long-term care services, the contract or supplemental contract shall include the following*

provisions:

(1) the minimum accelerated benefit shall be \$1,200 per month if the insured is receiving nursing facility services and \$750 per month if the insured is receiving home services with a minimum lifetime benefit limit of \$50,000;

(2) coverage is effective immediately and benefits shall commence with the receipt of services as defined in section 62A.46, subdivision 3, 4, or 5, but may include a waiting period of not more than 90 days, provided that no more than one waiting period may be required per benefit period as defined in section 62A.46, subdivision 11;

(3) premium shall be waived during any period in which benefits are being paid to the insured during confinement to a nursing home facility;

(4) coverage may not be canceled or renewal refused except on the grounds of nonpayment of premium;

(5) coverage must include preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(6) the contract or supplemental contract shall contain the following disclosure:

**"THE ACCELERATED LIFE INSURANCE BENEFITS PROVIDED UNDER THIS CONTRACT MAY NOT COVER ALL NURSING HOME, HOME CARE, OR ADULT DAY CARE EXPENSES. BENEFITS ARE NOT PAYABLE UPON RECEIPT OF RESIDENTIAL CARE. READ YOUR POLICY CAREFULLY TO DETERMINE YOUR BENEFIT AMOUNT." :**

(7) coverage must include mental or nervous disorders which have a demonstrable organic cause such as Alzheimer's and related dementias;

(8) no prior hospitalization requirement shall be allowed unless a similar requirement is allowed by section 62A.48, subdivision 1; and

(9) the contract shall include a cancellation provision that meets the requirements of section 62A.50, subdivision 2."

Amend the title as follows:

Page 1, line 4, delete "to recipients of long-term care"

Page 1, line 5, delete "sections" and insert "section"

Page 1, line 6, delete everything after the semicolon and insert "proposing coding for new law in Minnesota Statutes, chapter 61A."

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. 1242: A bill for an act relating to state government; extending the expiration date on certain advisory councils; amending Minnesota Statutes 1988, section 15.059, subdivision 5; repealing Minnesota Statutes 1988, section 84B.11, subdivision 4.

Reports the same back with the recommendation that the bill be amended



as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1988, section 15.0575, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] Members of the boards ~~shall~~ *must* be compensated at the rate of ~~\$35~~ \$55 per day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted ~~pursuant to~~ *under* section 43A.18, subdivision 2. Members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization. Members who are full-time state employees or full-time employees of the political subdivisions of the state ~~shall~~ *may* not receive the ~~\$35~~ \$55 per day, but they ~~shall~~ *may* suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Members who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Members who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their normal working hours."

Page 1, after line 13, insert:

"Sec. 3. Minnesota Statutes 1988, section 16B.39, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE ASSISTANCE PROGRAM; ~~ADVISORY COMMITTEE~~.] The commissioner shall provide an employee assistance program of training, diagnostic, and referral services for state employees and their dependents. ~~The commissioner shall appoint an advisory committee on state employee assistance of not more than 15 members to advise the commissioner on the program. The committee is subject to the provisions of section 15.059.~~

Page 1, line 15, delete "section" and insert "sections" and delete ", is" and insert " ; 115.54; 121.83; 174.031, subdivision 2; 175.007; 256.73, subdivision 7; and 268.12, subdivision 6, are"

Page 1, line 18, delete "and 2" and insert "to 4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "increasing the compensation of members of administrative boards and agencies; eliminating a requirement for appointment of a state employees assistance program advisory committee;"

Page 1, line 4, delete "section" and insert "sections 15.0575, subdivision 3;" and after "5;" insert "and 16B.39, subdivision 2;"

Page 1, line 5, delete "section" and insert "sections"

Page 1, line 6, before the period, insert " ; 115.54; 121.83; 174.031, subdivision 2; 175.007; 256.73, subdivision 7; and 268.12, subdivision 6"

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. 774 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
774	676				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 774 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 774 and insert the language after the enacting clause of S.F. No. 676, the first engrossment; further, delete the title of H.F. No. 774 and insert the title of S.F. No. 676, the first engrossment.

And when so amended H.F. No. 774 will be identical to S.F. No. 676, and further recommends that H.F. No. 774 be given its second reading and substituted for S.F. No. 676, 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. 531: A bill for an act relating to jobs and training; creating a community conversion incentive grant program to fund projects to secure employment for persons with severe disabilities; appropriating money.

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

Page 3, line 26, delete "\$3,000,000" and insert "\$ . . . . ."

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 and Rural Development, to which was referred

S.F. No. 957: A bill for an act relating to economic development; transferring programs under the Minnesota agricultural and economic development board to the department of trade and economic development; changing the governing structure of the certified development company; transferring program responsibilities for the allocation of bonding authority to the department of finance; eliminating certain reporting requirements; amending Minnesota Statutes 1988, sections 41A.01; 41A.02, subdivisions 7a, 15, 16, and by adding subdivisions; 41A.021; 41A.022; 41A.023; 41A.03, subdivision 3; 41A.035; 41A.036, subdivisions 1, 4, 5, and 6; 41A.04; 41A.05, subdivisions 1, 2, 3, and 4; 41A.051; 41A.06, subdivisions 2, 4, and 5; 41A.07; 41A.08; 469.175, subdivision 2; and 474A.02, subdivision

5a; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1988, sections 41A.02, subdivision 3; 41A.065; and 469.012, subdivision 5.

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

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

S.F. No. 135: A bill for an act relating to local government; creating the Kandiyohi county rural development finance authority; authorizing the establishment of a development and redevelopment program and the authorization of powers for it.

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

Delete everything after the enacting clause and insert:

“Section 1. [ESTABLISHMENT.]

*The Kandiyohi county board may, by adopting a written enabling resolution, establish a county rural development finance authority that, subject to section 2, has the following powers: powers of an economic development authority under Minnesota Statutes, sections 469.090 to 469.107, except for the authority to issue general obligation bonds under Minnesota Statutes, section 469.102; and powers of a rural development financing authority under sections 469.142 to 469.151.*

Sec. 2. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.]

*If the county rural development finance authority exercises the powers of an economic development authority, the county may exercise all of the powers relating to an economic development authority granted to a city under Minnesota Statutes, sections 469.090 to 469.108. The county rural development finance authority may create and define the boundaries of economic development districts at any place or places within the county. Minnesota Statutes, section 469.174, subdivision 10, and the contiguity requirement specified under Minnesota Statutes, section 469.101, subdivision 1, do not apply to the county economic development districts.*

Sec. 3. [LIMIT OF POWERS.]

*Subdivision 1. [RESOLUTION.] The enabling resolution may impose the following limits on the actions of the authority:*

*(1) that the authority may not exercise any of the powers contained in section 1 unless those powers are specifically authorized in the enabling resolution; and*

*(2) any other limitation or control established by the county board by the enabling resolution.*

*Subd. 2. [MODIFICATION.] The enabling resolution may be modified at any time, but may not be applied in a manner that impairs contracts executed before the modification is made. All modifications to the enabling resolution must be by written resolution.*

*Subd. 3. [PROJECT APPROVAL.] Before the commencement of a project by the authority, the governing body of the municipality in which the project is to be located or the Kandiyohi county board, if the project is outside municipal corporate limits, shall by majority vote approve the project as recommended by the authority.*

**Sec. 4. [BOARD OF DIRECTORS.]**

*Subdivision 1. [MEMBERS.] The authority consists of a board of seven directors. The directors shall be appointed by the Kandiyohi county board. Each director shall be appointed to serve for three years or until a successor is appointed and qualified. No director may serve more than two consecutive terms. The initial appointment of directors must be made so that no more than one-third of the directors' positions will require appointment in any one year due to fulfillment of their three-year appointment. The appointment of directors must be made to reflect representation of the entire county by population, appointing one director to represent each of the five county commissioner districts. The other two directors must be representatives of various county-based economic development organizations or be directors at-large. No more than two directors may reside in any one county commissioner district.*

*Subd. 2. [TERM OF OFFICE.] Two of the directors initially appointed shall serve for terms of one year, two for two years, and three for three years. Each vacancy must be filled for the unexpired term in the manner in which the original appointment was made. A vacancy occurs if a director no longer resides in the county. No director shall be an officer, employee, director, shareholder, or member of any corporation, firm, or association with which the authority has entered into any operating lease, or other agreement. The directors may be removed by the county for the reasons and in the manner provided under Minnesota Statutes, section 469.010, and shall receive no compensation other than reimbursement for expenses incurred in the performance of their duties. Directors shall have no personal liability for obligations of the authority or the methods of enforcement and collection of the obligations.*

**Sec. 5. [EFFECTIVE DATE.]**

*Sections 1 to 4 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the county board of Kandiyohi county."*

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

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

S.F. No. 802: A bill for an act relating to health; establishing a state board of physical therapy; providing licensing requirements for physical therapists; amending Minnesota Statutes 1988, sections 148.66; 148.67; 148.70; 148.705; 148.71; 148.72, subdivisions 1, 2, and 4; 148.73; 148.74; 148.75; 148.76; and 148.78; proposing coding for new law in Minnesota Statutes, chapter 148.

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

Page 2, line 4, reinstate the stricken "two" and delete "one" and reinstate the stricken "doctors"

Page 2, line 5, delete "doctor"

Page 2, line 8, reinstate the stricken "one" and delete "two" and reinstate the stricken "member."

Page 2, line 11, delete the first "members" and strike the period

Page 7, line 10, strike "CERTIFICATES" and insert "LICENSES"

Page 10, line 29, strike "or registered"

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

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

S.F. No. 464: A bill for an act relating to corrections; requiring the commissioner of corrections to make high school diploma equivalency programs available to inmates; denying "good time" sentence reductions to inmates who do not have a high school diploma and who fail to participate in these educational programs; amending Minnesota Statutes 1988, sections 244.03; and 244.04, subdivision 1, and by adding a subdivision.

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

Page 2, delete lines 22 to 28 and insert:

*"Subd. 1a. [CERTAIN INMATES TO BE CREDITED TIME.] An inmate who enrolls in and completes a program to obtain a high school diploma or its equivalent is eligible to receive an adjustment of up to 36 days to the supervised release date. Inmates may be credited three days per month up to a maximum of 36 days only if the program is successfully completed."*

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. 314: A bill for an act relating to crime; sentencing; increasing the minimum parole eligibility date for persons serving a life sentence for first degree murder; permitting courts to sentence certain dangerous offenders and career criminals to longer periods of incarceration; providing an earlier effective date for increases in lengths of presumptive prison sentences and in criminal history points for violent offenses under the sentencing guidelines; disapproving action of sentencing guidelines commission in modifying method of computing criminal history scores for certain offenses; increasing statutory maximum sentences for the crimes of failure to report an accident, failure to use a drug stamp, possessing explosives, restraint of trade, manslaughter in the second degree, assault, child abuse, manslaughter of an unborn child, assault of an unborn child, criminal sexual conduct in the fourth degree, perjury, fleeing a peace officer, negligently causing a fire, and bribery; amending Minnesota Statutes 1988, sections 169.09, subdivision 14; 244.05, subdivision 4; 297D.09, subdivision 1a; 299F80, subdivision 1; 325D.56, subdivision 2; 609.205; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665;

609.267; 609.323, subdivision 1; 609.345, subdivision 2; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.576; 609.62, subdivision 2; and 609.86, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 244 and 609.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

SENTENCING PROVISIONS

Section 1. Minnesota Statutes 1988, section 243.18, is amended to read:  
243.18 [DIMINUTION OF SENTENCE.]

*Subdivision 1. [GOOD TIME.]* Every inmate sentenced for any term other than life, confined in a state adult correctional facility or on parole therefrom, may diminish the term of sentence one day for each two days during which the inmate has not violated any facility rule or discipline.

The commissioner of corrections, in view of the aggravated nature and frequency of offenses, may take away any or all of the good time previously gained, and, in consideration of mitigating circumstances or ignorance on the part of the inmate, may afterwards restore the inmate, in whole or in part, to the standing the inmate possessed before such good time was taken away.

*Subd. 2. [WORK REQUIRED.]* An inmate for whom a work assignment is available may not earn good time under subdivision 1 for any day on which the inmate does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.

Sec. 2. Minnesota Statutes 1988, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence shall not be given supervised release under this section without having served a minimum term of imprisonment of 47 25 years.

Sec. 3. Minnesota Statutes 1988, section 244.09, subdivision 5, is amended to read:

Subd. 5. The commission shall, on or before January 1, 1980, promulgate sentencing guidelines for the district court. The guidelines shall be based on reasonable offense and offender characteristics. The guidelines promulgated by the commission shall be advisory to the district court and shall establish:

(1) The circumstances under which imprisonment of an offender is proper; and

(2) A presumptive, fixed sentence for offenders for whom imprisonment is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines may provide for an increase or decrease of up to 15 percent in the presumptive, fixed sentence.

The sentencing guidelines promulgated by the commission may also establish appropriate sanctions for offenders for whom imprisonment is not

proper. Any guidelines promulgated by the commission establishing sanctions for offenders for whom imprisonment is not proper shall make specific reference to noninstitutional sanctions, including but not limited to the following: payment of fines, day fines, restitution, community work orders, work release programs in local facilities, community based residential and nonresidential programs, incarceration in a local correctional facility, and probation and the conditions thereof.

In establishing *and modifying* the sentencing guidelines, the commission shall take into substantial consideration *public safety and current sentencing and release practices and correctional resources, including but not limited to the capacities of local and state correctional facilities.*

The provisions of sections 14.01 to 14.69 do not apply to the promulgation of the sentencing guidelines, and the sentencing guidelines, including severity levels and criminal history scores, are not subject to review by the legislative commission to review administrative rules. However, on or before January 1, 1986, the commission shall adopt rules pursuant to sections 14.01 to 14.69 which establish procedures for the promulgation of the sentencing guidelines, including procedures for the promulgation of severity levels and criminal history scores, and these rules shall be subject to review by the legislative commission to review administrative rules.

Sec. 4. [609.152] [INCREASED SENTENCES FOR CERTAIN DANGEROUS AND CAREER OFFENDERS.]

*Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given.*

*(b) "Prior conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, that occurred before the offense for which the person is being sentenced under this section. The term includes a conviction by any court in Minnesota or another jurisdiction.*

*(c) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; and any provision of chapter 152 that is punishable by a maximum term of imprisonment greater than ten years.*

*Subd. 2. [INCREASED SENTENCES; DANGEROUS OFFENDERS.] Whenever a person is convicted of a violent crime, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the offender was at least 18 years old at the time the felony was committed, and the judge finds that the circumstances in clauses (1) and (2) exist:*

*(1) the offender has either (i) two or more prior convictions for violent crimes, or (ii) one prior conviction for a violent crime and three or more prior convictions for felonies that are not violent crimes; and*

*(2) the court finds that the offender is a danger to public safety and specifies on the record the basis for the finding, which may include:*

*(i) the offender's past criminal behavior, such as the offender's high*

*frequency rate of criminal activity or juvenile adjudications, long involvement in criminal activity including juvenile adjudications, or commission of an offense resulting in a prior conviction that involved an aggravating factor that would justify a departure under the sentencing guidelines; or*

*(ii) the fact that the present offense of conviction involved an aggravating factor that would justify a departure under the sentencing guidelines.*

**Subd. 3. [INCREASED SENTENCES; CAREER OFFENDERS.]** *Whenever a person is convicted of a felony, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the judge finds and specifies on the record that the circumstances in either clause (1) or (2) exist:*

*(1) the offender was convicted of a felony that was committed as part of a pattern of criminal conduct from which a substantial portion of the offender's income was derived, and the offender has three or more prior felony convictions; or*

*(2) the offender has more than six prior felony convictions.*

**Sec. 5. [SENTENCING GUIDELINES MODIFICATIONS.]**

**Subdivision 1. [EARLIER EFFECTIVE DATE FOR INCREASED SENTENCES FOR VIOLENT CRIME.]** *The increases in presumptive sentences for severity levels VII and VIII of the sentencing guidelines grid, adopted by the sentencing guidelines commission on December 15, 1988, apply to crimes committed on or after the effective date of this section.*

**Subd. 2. [EARLIER EFFECTIVE DATE FOR INCREASED CRIMINAL HISTORY POINTS FOR SERIOUS OFFENDERS.]** *The modifications in the weight assigned for each prior felony conviction in the severity levels VI, VII, VIII, IX, and X, and for first degree murder, for purposes of computing a defendant's criminal history score, adopted by the sentencing guidelines commission on December 15, 1988, apply to crimes committed on or after the effective date of this section.*

**Subd. 3. [DISAPPROVAL OF DECREASED CRIMINAL HISTORY POINTS FOR CERTAIN PROPERTY AND NONVIOLENT OFFENSES.]** *The modifications in the weight assigned for each prior felony conviction in the severity levels I and II for purposes of computing a defendant's criminal history score, adopted by the commission on December 15, 1988, shall not take effect.*

**Subd. 4. [DISAPPROVAL OF MISDEMEANOR AND GROSS MISDEMEANOR MODIFICATIONS.]** *The following modifications to the method used for calculating criminal history points for prior nonfelony offenses, approved by the sentencing guidelines commission on December 15, 1988, shall not take effect:*

*(1) the elimination of the following offenses from the "misdemeanor and gross misdemeanor list": gross misdemeanor convictions under sections 609.23, 609.231, 609.255, subdivision 3, 609.377, 609.378, 609.535, 609.76, and 609.821; and misdemeanor and gross misdemeanor convictions under section 609.485; and*

*(2) the reduction from two units to one unit for a gross misdemeanor conviction.*

**Subd. 5. [EFFECTIVE DATE OF OTHER MODIFICATIONS.]** *Except as provided in this section, the modifications adopted by the sentencing*



*guidelines commission on December 15, 1988, apply to crimes committed on or after the effective date of this section.*

Sec. 6. [EFFECTIVE DATE.]

*Sections 2 and 4 are effective August 1, 1989, and apply to crimes committed on or after that date. Section 5 is effective June 15, 1989.*

ARTICLE 2

PENALTY INCREASES

Section 1. Minnesota Statutes 1988, section 169.09, subdivision 14, is amended to read:

Subd. 14. [PENALTIES.] (a) The driver of any vehicle who violates subdivision 1 or 6 and who caused the accident is punishable as follows:

(1) if the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000, or both;

(2) if the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$10,000, or both; or

(3) if the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver 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 \$5,000, or both.

(b) The driver of any vehicle who violates subdivision 1 or 6 and who did not cause the accident is punishable as follows:

(1) if the accident results in the death of any person, the driver 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 \$5,000, or both;

(2) if the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than ~~one year and one day~~ *two years*, or to payment of a fine of not more than ~~\$3,000~~ *\$4,000*, or both; or

(3) if the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver 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.

(c) The driver of any vehicle involved in an accident not resulting in substantial bodily harm or death who violates subdivision 1 or 6 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.

(d) Any person who violates subdivision 3, clause (b) is guilty of a petty misdemeanor.

(e) Any person who violates subdivision 2, 3, clause (a), 4, 5, 7, 8, 10, 11, or 12 is guilty of a misdemeanor.

The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall

also be responsible for prosecution of gross misdemeanor violations of this section.

Sec. 2. Minnesota Statutes 1988, section 297D.09, subdivision 1a, is amended to read:

Subd. 1a. [CRIMINAL PENALTY; SALE WITHOUT AFFIXED STAMPS.] In addition to the tax penalty imposed, a dealer distributing or possessing marijuana or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than ~~five~~ *seven* years or to payment of a fine of not more than ~~\$10,000~~ *\$14,000*, or both.

Sec. 3. Minnesota Statutes 1988, section 299F.80, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 2, whoever possesses explosives without a valid license or permit may be sentenced to imprisonment for not more than ~~three~~ *five* years.

Sec. 4. Minnesota Statutes 1988, section 325D.56, subdivision 2, is amended to read:

Subd. 2. Any person who is found to have willfully committed any of the acts enumerated in section 325D.53 shall be guilty of a felony and subject to a fine of not more than \$50,000 or imprisonment in the state penitentiary for not more than ~~five~~ *seven* years, or both.

Sec. 5. Minnesota Statutes 1988, section 609.205, is amended to read:

609.205 [MANSLAUGHTER IN THE SECOND DEGREE.]

A person who causes the death of another by any of the following means is guilty of manslaughter in the second degree and may be sentenced to imprisonment for not more than ~~seven~~ *ten* years or to payment of a fine of not more than ~~\$14,000~~ *\$20,000*, or both:

(1) by the person's culpable negligence whereby the person creates an unreasonable risk, and consciously takes chances of causing death or great bodily harm to another; or

(2) by shooting another with a firearm or other dangerous weapon as a result of negligently believing the other to be a deer or other animal; or

(3) by setting a spring gun, pit fall, deadfall, snare, or other like dangerous weapon or device; or

(4) by negligently or intentionally permitting any animal, known by the person to have vicious propensities or to have caused great or substantial bodily harm in the past, to run uncontrolled off the owner's premises, or negligently failing to keep it properly confined.

If proven by a preponderance of the evidence, it shall be an affirmative defense to criminal liability under clause (4) that the victim provoked the animal to cause the victim's death.

Sec. 6. Minnesota Statutes 1988, section 609.21, subdivision 1, is amended to read:

Subdivision 1. [RESULTING IN DEATH.] Whoever causes the death of a human being not constituting murder or manslaughter as a result of operating a vehicle as defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or

(3) in a negligent manner while having an alcohol concentration of 0.10 or more,

is guilty of criminal vehicular operation resulting in death and may be sentenced to imprisonment for not more than ~~five~~ *ten* years or to payment of a fine of not more than ~~\$10,000~~ *\$20,000*, or both.

Sec. 7. Minnesota Statutes 1988, section 609.21, subdivision 2, is amended to read:

Subd. 2. [RESULTING IN INJURY.] Whoever causes great bodily harm to another, as defined in section 609.02, subdivision 8, not constituting attempted murder or assault as a result of operating a vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or

(3) in a negligent manner while having an alcohol concentration of 0.10 or more,

is guilty of criminal vehicular operation resulting in injury and may be sentenced to imprisonment for not more than ~~three~~ *five* years or the payment of a fine of not more than ~~\$5,000~~ *\$10,000*, or both.

Sec. 8. Minnesota Statutes 1988, section 609.221, is amended to read:

609.221 [ASSAULT IN THE FIRST DEGREE.]

Whoever assaults another and inflicts great bodily harm may be sentenced to imprisonment for not more than ~~ten~~ *20* years or to payment of a fine of not more than ~~\$20,000~~ *\$30,000*, or both.

Sec. 9. Minnesota Statutes 1988, section 609.222, is amended to read:

609.222 [ASSAULT IN THE SECOND DEGREE.]

Whoever assaults another with a dangerous weapon may be sentenced to imprisonment for not more than ~~five~~ *seven* years or to payment of a fine of not more than ~~\$10,000~~ *\$14,000*, or both.

Sec. 10. Minnesota Statutes 1988, section 609.223, is amended to read:

609.223 [ASSAULT IN THE THIRD DEGREE.]

Whoever assaults another and inflicts substantial bodily harm may be sentenced to imprisonment for not more than ~~three~~ *five* years or to payment of a fine of not more than ~~\$5,000~~ *\$10,000*, or both.

Sec. 11. Minnesota Statutes 1988, section 609.2231, subdivision 1, is amended to read:

Subdivision 1. [PEACE OFFICERS.] Whoever assaults a peace officer licensed under section 626.845, subdivision 1, when that officer is effecting a lawful arrest or executing any other duty imposed by law and inflicts demonstrable bodily harm is guilty of a felony and may be sentenced to

imprisonment for not more than ~~one year and a day~~ *two years* or to payment of a fine of not more than ~~\$3,000~~ *\$4,000*, or both.

Sec. 12. Minnesota Statutes 1988, section 609.255, subdivision 3, is amended to read:

Subd. 3. [UNREASONABLE RESTRAINT OF CHILDREN.] A parent, legal guardian, or caretaker who intentionally subjects a child under the age of 18 years to unreasonable physical confinement or restraint by means including but not limited to, tying, locking, caging, or chaining for a prolonged period of time and in a cruel manner which is excessive under the circumstances, is guilty of unreasonable restraint of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. If the confinement or restraint results in substantial bodily harm, that person may be sentenced to imprisonment for not more than ~~three~~ *five* years or to payment of not more than ~~\$5,000~~ *\$10,000*, or both.

Sec. 13. Minnesota Statutes 1988, section 609.2665, is amended to read:

609.2665 [MANSLAUGHTER OF AN UNBORN CHILD IN THE SECOND DEGREE.]

A person who causes the death of an unborn child by any of the following means is guilty of manslaughter of an unborn child in the second degree and may be sentenced to imprisonment for not more than ~~seven~~ *ten* years or to payment of a fine of not more than ~~\$14,000~~ *\$20,000*, or both:

(1) by the actor's culpable negligence whereby the actor creates an unreasonable risk and consciously takes chances of causing death or great bodily harm to an unborn child or a person;

(2) by shooting the mother of the unborn child with a firearm or other dangerous weapon as a result of negligently believing her to be a deer or other animal;

(3) by setting a spring gun, pit fall, deadfall, snare, or other like dangerous weapon or device; or

(4) by negligently or intentionally permitting any animal, known by the person to have vicious propensities or to have caused great or substantial bodily harm in the past, to run uncontrolled off the owner's premises, or negligently failing to keep it properly confined.

If proven by a preponderance of the evidence, it shall be an affirmative defense to criminal liability under clause (4) that the mother of the unborn child provoked the animal to cause the unborn child's death.

Sec. 14. Minnesota Statutes 1988, section 609.267, is amended to read:

609.267 [ASSAULT OF AN UNBORN CHILD IN THE FIRST DEGREE.]

Whoever assaults a pregnant woman and inflicts great bodily harm on an unborn child who is subsequently born alive may be sentenced to imprisonment for not more than ~~ten~~ *15* years or to payment of a fine of not more than ~~\$20,000~~ *\$30,000*, or both.

Sec. 15. Minnesota Statutes 1988, section 609.323, subdivision 1, is amended to read:

Subdivision 1. Whoever, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is

derived from the prostitution, or the promotion of the prostitution, of an individual under the age of 13 years, may be sentenced to imprisonment for not more than ~~ten~~ 15 years or to payment of a fine of not more than ~~\$20,000~~ \$30,000, or both.

Sec. 16. Minnesota Statutes 1988, section 609.377, is amended to read:

609.377 [MALICIOUS PUNISHMENT OF A CHILD.]

A parent, legal guardian, or caretaker who, by an intentional act or a series of intentional acts with respect to a child, evidences unreasonable force or cruel discipline that is excessive under the circumstances is guilty of malicious punishment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. If the punishment results in substantial bodily harm, that person may be sentenced to imprisonment for not more than ~~three~~ five years or to payment of a fine of not more than ~~\$5,000~~ \$10,000, or both.

Sec. 17. Minnesota Statutes 1988, section 609.445, is amended to read:

609.445 [FAILURE TO PAY OVER STATE FUNDS.]

Whoever receives money on behalf of or for the account of the state or any of its agencies or subdivisions and intentionally refuses or omits to pay the same to the state or its agency or subdivision entitled thereto, or to an officer or agent authorized to receive the same, may be sentenced to imprisonment for not more than ~~three~~ five years or to payment of a fine of not more than ~~\$5,000~~ \$10,000, or both.

Sec. 18. Minnesota Statutes 1988, section 609.48, subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] Whoever violates this section may be sentenced as follows:

(1) If the false statement was made upon the trial of a felony charge, or upon an application for an explosives license or use permit, to imprisonment for not more than ~~five~~ seven years or to payment of a fine of not more than ~~\$10,000~~ \$14,000, or both; or

(2) In all other cases, to imprisonment for not more than ~~three~~ five years or to payment of a fine of not more than ~~\$5,000~~ \$10,000, or both.

Sec. 19. Minnesota Statutes 1988, section 609.487, subdivision 4, is amended to read:

Subd. 4. [FLEEING AN OFFICER; DEATH; BODILY INJURY.] Whoever flees or attempts to flee by means of a motor vehicle a peace officer who is acting in the lawful discharge of an official duty, and the perpetrator knows or should reasonably know the same to be a peace officer, and who in the course of fleeing causes the death of a human being not constituting murder or manslaughter or any bodily injury to any person other than the perpetrator may be sentenced to imprisonment as follows:

(a) If the course of fleeing results in death, to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both; or

(b) If the course of fleeing results in great bodily harm, to imprisonment for not more than ~~five~~ seven years or to payment of a fine of not more than ~~\$10,000~~ \$14,000, or both; or

(c) If the course of fleeing results in substantial bodily harm, to imprisonment for not more than ~~three~~ *five* years or to payment of a fine of not more than ~~\$5,000~~ *\$10,000*, or both.

Sec. 20. Minnesota Statutes 1988, section 609.576, is amended to read:  
609.576 [NEGLIGENT FIRES.]

Whoever is culpably negligent in causing a fire to burn or get out of control thereby causing damage or injury to another, and as a result thereof:

(a) a human being is injured and great bodily harm incurred, is guilty of a crime and may be sentenced to imprisonment of not more than ~~three~~ *five* years or to a fine of not more than ~~\$5,000~~ *\$10,000*, or both; or

(b) property of another is injured, thereby, is guilty of a crime and may be sentenced as follows:

(1) to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, if the value of the property damage is under \$300;

(2) to imprisonment for not more than one year, or to a fine of \$3,000 or both, if the value of the property damaged is at least \$300 but is less than \$10,000;

(3) to imprisonment for not less than 90 days nor more than three years, or to a fine of not more than \$5,000, or both, if the value of the property damaged is \$10,000 or more.

Sec. 21. Minnesota Statutes 1988, section 609.62, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] Whoever, with intent to defraud, does any of the following may be sentenced to imprisonment for not more than ~~two~~ *three* years or to payment of a fine of not more than ~~\$4,000~~ *\$6,000*, or both:

(1) Conceals, removes, or transfers any personal property in which the actor knows that another has a security interest; or

(2) Being an obligor and knowing the location of the property refuses to disclose the same to an obligee entitled to possession thereof.

Sec. 22. Minnesota Statutes 1988, section 609.86, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits commercial bribery may be sentenced as follows:

(1) To imprisonment for not more than ~~three~~ *five* years or to payment of a fine of not more than ~~\$5,000~~ *\$10,000*, or both, if the value of the benefit, consideration, compensation or reward is greater than \$500;

(2) In all other cases where the value of the benefit, consideration, compensation or reward is \$500 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700; provided, however, in any prosecution of the value of the benefit, consideration, compensation or reward received by the defendant 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,

or all of the offenses aggregated under this clause.

Sec. 23. [EFFECTIVE DATE.]

*Sections 1 to 22 are effective August 1, 1989, and apply to crimes committed on or after that date.*

### ARTICLE 3

#### MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1988, section 609.52, is amended to read:  
609.52 [THEFT.]

Subdivision 1. [DEFINITIONS.] In this section:

(1) "Property" means all forms of tangible property, whether real or personal, without limitation including documents of value, electricity, gas, water, corpses, domestic animals, dogs, pets, fowl, and heat supplied by pipe or conduit by municipalities or public utility companies and articles, as defined in clause (4), representing trade secrets, which articles shall be deemed for the purposes of Extra Session Laws 1967, chapter 15 to include any trade secret represented by the article.

(2) "Movable property" is property whose physical location can be changed, including without limitation things growing on, affixed to or found in land.

(3) "Value" means the retail market value at the time of the theft, or if the retail market value cannot be ascertained, the cost of replacement of the property within a reasonable time after the theft, or in the case of a theft or the making of a copy of an article representing a trade secret, where the retail market value or replacement cost cannot be ascertained, any reasonable value representing the damage to the owner which the owner has suffered by reason of losing an advantage over those who do not know of or use the trade secret. For a theft committed within the meaning of subdivision 2, clause (5), (a) and (b), if the property has been restored to the owner, "value" means the value of the use of the property or the damage which it sustained, whichever is greater, while the owner was deprived of its possession, but not exceeding the value otherwise provided herein.

(4) "Article" means any object, material, device or substance, including any writing, record, recording, drawing, sample specimen, prototype, model, photograph, microorganism, blueprint or map, or any copy of any of the foregoing.

(5) "Representing" means describing, depicting, containing, constituting, reflecting or recording.

(6) "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

(i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and

(ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(7) "Copy" means any facsimile, replica, photograph or other reproduction of an article, and any note, drawing, or sketch made of or from an article while in the presence of the article.

(8) "Property of another" includes property in which the actor is coowner or has a lien, pledge, bailment, or lease or other subordinate interest, and property of a partnership of which the actor is a member, unless the actor and the victim are husband and wife. It does not include property in which the actor asserts in good faith a claim as a collection fee or commission out of property or funds recovered, or by virtue of a lien, setoff, or counterclaim.

(9) "Services" include but are not limited to labor, professional services, transportation services, electronic computer services, the supplying of hotel accommodations, restaurant services, entertainment services, advertising services, telecommunication services, and the supplying of equipment for use.

(10) "*Motor vehicle*" means a self-propelled device for moving persons or property or pulling implements from one place to another, whether the device is operated on land, rails, water, or in the air.

Subd. 2. [ACTS CONSTITUTING THEFT.] Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(a) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(b) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(c) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and;

(a) the control exercised manifests an indifference to the rights of the



owner or the restoration of the property to the owner; or

(b) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(c) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof, or any lessee of the property who sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease and with intent to deprive the lessor of possession thereof. Evidence that a lessee used a false or fictitious name or address in obtaining the property or fails or refuses to return the property to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells

or buys any personal property with knowledge that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection, or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law Number 94-553, section 107; or

(13) except as provided in paragraphs (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(i) made or was aware of the connection; and

(ii) was aware that the connection was unauthorized; or

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

*(17) intentionally takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner.*

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services

stolen exceeds \$2,500, or if the property stolen was *an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in schedule 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~~

~~(d) the value of the property or services stolen is not more than \$200, if \$500, and any of the following circumstances exist:~~

~~(a) (i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or~~

~~(b) (ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or~~

~~(c) (iii) the property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or~~

~~(d) (iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or~~

~~(e) (v) the property is a firearm; or~~

~~(f) (vi) the property stolen was is 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) (4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$200 but not more than \$500; or~~

~~(7) (5) in all other cases where the value of the property or services stolen is \$200 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), and (13),~~

the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

**Sec. 2. [609.526] [PRECIOUS METAL DEALERS; RECEIVING STOLEN PROPERTY.]**

*Any precious metal dealer as defined in section 325F.731, subdivision 2, or any person employed by a precious metal dealer as defined in section 325F.731, subdivision 2, who receives, possesses, transfers, buys, or conceals any stolen property or property obtained by robbery, knowing or having reason to know the property was stolen or obtained by robbery, may be sentenced as follows:*

*(1) if the value of the property received, bought, or concealed is \$1,000 or more, to imprisonment for not more than ten years or to payment of a fine of not more than \$50,000, or both;*

*(2) if the value of the property received, bought, or concealed is less than \$1,000 but more than \$300, to imprisonment for not more than five years or to payment of a fine of not more than \$40,000, or both;*

*(3) if the value of the property received, bought, or concealed is \$300 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.*

*Any person convicted of violating this section a second or subsequent time within a period of one year may be sentenced as provided in clause (1).*

**Sec. 3. Minnesota Statutes 1988, section 609.53, subdivision 1, is amended to read:**

**Subdivision 1. [PENALTY.]** *Except as otherwise provided in section 2, any person who receives, possesses, transfers, buys or conceals any stolen property or property obtained by robbery, knowing or having reason to know the property was stolen or obtained by robbery, may be sentenced as follows:*

*(1) if the value of the property is \$1,000 or more, to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both;*

*(2) if the value of the property is less than \$1,000, but more than \$300, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both;*

*(3) if the value of the property is \$300 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both;*

*(4) notwithstanding the value of the property, if the property is a firearm, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both in accordance with the provisions of section 609.52, subdivision 3.*

**Sec. 4. Minnesota Statutes 1988, section 609.53, subdivision 4, is amended to read:**

Subd. 4. [CIVIL ACTION; TREBLE DAMAGES.] Any person who has been injured by a violation of ~~subdivisions~~ *subdivision 1 or 3 section 2* may bring an action for three times the amount of actual damages, sustained by the plaintiff or \$1,500, whichever is greater, and the costs of suit and reasonable attorney's fees.

Sec. 5. [609.546] [MOTOR VEHICLE TAMPERING.]

*A person is guilty of a misdemeanor who intentionally:*

*(1) rides in or on a motor vehicle knowing that the vehicle was taken and is being driven by another without the owner's permission; or*

*(2) tampers with or enters into or on a motor vehicle without the owner's permission.*

Sec. 6. Minnesota Statutes 1988, section 609.631, subdivision 2, is amended to read:

Subd. 2. [CHECK FORGERY; ELEMENTS.] A person ~~who~~ *is guilty of check forgery and may be sentenced under subdivision 4 if the person with intent to defraud, does any of the following:*

*(1) falsely makes or alters a check so that it purports to have been made by another or by the maker under an assumed or fictitious name, or at another time, or with different provisions, or by the authority of one who did not give authority; is guilty of check forgery and may be sentenced as provided in subdivision 4; or*

*(2) falsely endorses or alters a check so that it purports to have been endorsed by another.*

Sec. 7. Laws 1989, chapter 5, section 3, is amended to read:

Sec. 3. [609.396] [UNAUTHORIZED PRESENCE AT CAMP RIPLEY.]

*Subdivision 1. [MISDEMEANOR.] A person is guilty of a misdemeanor if the person intentionally and without authorization of the adjutant general enters or is present on the Camp Ripley military reservation.*

*Subd. 2. [FELONY.] A person is guilty of a felony and may be sentenced to not more than five years imprisonment or to payment of a fine of not more than \$10,000, or both, if:*

*(1) the person intentionally enters or is present ~~without authorization of the adjutant general~~ in an area at the Camp Ripley military reservation that is posted by order of the adjutant general as restricted for weapon firing or other hazardous military activity; and*

*(2) the person knows that doing so creates a risk of death, bodily harm, or serious property damage.*

Sec. 8. [INSTRUCTION TO REVISOR; REFERENCE CHANGE.]

*The revisor of statutes shall change the reference to section 609.55, subdivision 1, in section 609.605, subdivision 1, clause (10), to section 609.52, subdivision 1, clause (10).*

Sec. 9. [REPEALER.]

*Minnesota Statutes 1988, sections 609.53, subdivisions 1a, 3, and 3a, is repealed. Minnesota Statutes 1988, section 609.55, as amended by Laws 1989, chapter 5, sections 5, 6, and 7, is repealed.*

Sec. 10. [EFFECTIVE DATE.]

*Sections 1 to 9 are effective August 1, 1989, and apply to crimes committed on or after that date."*

Delete the title and insert:

"A bill for an act relating to crime; sentencing; requiring daily work to earn good time in prison; eliminating correctional resources as a consideration for modifications of the sentencing guidelines; increasing the minimum parole eligibility date for persons serving a life sentence for first degree murder; permitting courts to sentence certain dangerous offenders and career criminals to longer periods of incarceration; providing an earlier effective date for increases in lengths of presumptive prison sentences and in criminal history points for violent offenses under the sentencing guidelines; disapproving action of sentencing guidelines commission in modifying method of computing criminal history scores for certain offenses; increasing statutory maximum sentences for the crimes of failure to report an accident, failure to use a drug stamp, possessing explosives, restraint of trade, manslaughter in the second degree, criminal vehicular operation, assault, child abuse, manslaughter of an unborn child, assault of an unborn child, criminal sexual conduct in the fourth degree, perjury, fleeing a peace officer, negligently causing a fire, and bribery; expanding the theft statute to include the unauthorized use of a motor vehicle; making the penalties for receiving stolen property similar to the penalties for theft; including a forged endorsement within the elements of the crime of check forgery; making technical corrections to the theft statute; modifying provisions relating to trespass at Camp Ripley; amending Minnesota Statutes 1988, sections 169.09, subdivision 14; 243.18; 244.05, subdivision 4; 244.09, subdivision 5; 297D.09, subdivision 1a; 299E80, subdivision 1; 325D.56, subdivision 2; 609.205; 609.21, subdivisions 1 and 2; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665; 609.267; 609.323, subdivision 1; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.52; 609.53, subdivisions 1 and 4; 609.576; 609.62, subdivision 2; 609.631, subdivision 2; and 609.86, subdivision 3; Laws 1989, chapter 5, section 3; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, sections 609.53, subdivisions 1a, 3, and 3a; and 609.55, as amended."

And when so amended the bill do pass and be re-referred to the Committee on Finance. 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 first Ramstad amendment to S.F. No. 314.

There were yeas 4 and nays 8, as follows:

Those who voted in the affirmative were:

Messrs. Belanger, Knaak, McGowan and Ramstad.

Those who voted in the negative were:

Messrs. Cohen, Luther, Marty, Merriam, Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller and Spear.

The amendment was not adopted.

## REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the second portion of the Luther amendment to the second Ramstad amendment to S.F. No. 314.

There were yeas 6 and nays 8, as follows:

Those who voted in the affirmative were:

Messrs. Luther, Marty, Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller and Spear.

Those who voted in the negative were:

Messrs. Belanger, Cohen, Knaak, Laidig, McGowan, Merriam, Ramstad and Stumpf.

The second portion of the Luther amendment was not adopted.

## REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the Marty amendment to S.F. No. 314.

There were yeas 12 and nays 1, as follows:

Those who voted in the affirmative were:

Messrs. Belanger, Cohen, Knaak, Luther, Marty, McGowan, Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ramstad; Spear and Stumpf.

Those who voted in the negative were:

Mr. Laidig.

The amendment was adopted.

## REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the Laidig amendment to S.F. No. 314.

There were yeas 6 and nays 8, as follows:

Those who voted in the affirmative were:

Messrs. Belanger; Knaak; Laidig; McGowan; Peterson, R.W. and Ramstad.

Those who voted in the negative were:

Ms. Berglin, Messrs. Cohen, Luther, Marty, Ms. Peterson, D.C.; Messrs. Pogemiller, Spear and Stumpf.

The amendment was not adopted.

## REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the McGowan amendment to S.F. No. 314.

There were yeas 6 and nays 10, as follows:

Those who voted in the affirmative were:

Messrs. Belanger, Knaak, Laidig, McGowan, Ramstad and Stumpf.

Those who voted in the negative were:

Ms. Berglin, Messrs. Cohen, Luther, Marty, Merriam, Ms. Peterson,

D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reichgott and Mr. Spear.

The amendment was not adopted.

#### REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the third Ramstad amendment to S.F. No. 314.

There were yeas 5 and nays 11, as follows:

Those who voted in the affirmative were:

Messrs. Belanger, Knaak, Laidig, McGowan and Ramstad.

Those who voted in the negative were:

Ms. Berglin, Messrs. Cohen, Luther, Marty, Merriam, Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reichgott, Messrs. Spear and Stumpf.

The amendment was not adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 778: A bill for an act relating to human services; authorizing general assistance medical care payments for patients in facilities determined to be institutions for mental diseases; creating an exception to negotiated rate facility limits for institutions for mental diseases; providing for carryover of appropriations for the preadmission screening and alternative care grants program.

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

Page 2, line 4, delete "*and psychological services*"

Page 2, line 5, delete the second "*and*"

Page 2, line 6, after "*supplies*" insert "*and equipment; and (3) psychological services*"

Pages 2 and 3, delete section 2 and insert:

"Sec. 2. [APPROPRIATION.]

*\$957,000 is appropriated from the general fund to the commissioner of human services to pay the cost of Minnesota supplemental assistance and general assistance medical care to replace medical assistance formerly provided to residents of institutions for mental disease and is added to the appropriation in Laws 1987, chapter 403, article 1, section 2, subdivision 6.*"

Page 3, line 10, delete "*Section 1*" and insert "*This act*"

Amend the title as follows:

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

Page 1, delete lines 7 to 9

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. 262: A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating, enforcing violation, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 12 and 26, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 4, and 5; 18B.08, subdivisions 1 and 4; 18B.17, subdivision 2; 18B.18; 18B.20, subdivisions 1, 2, and 3; 18B.21; 18B.25, subdivision 5; 18B.26, subdivisions 1, 3, and 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 3 and 7; 18B.34, subdivisions 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, and 3; 115B.20; 116C.41, subdivision 1; 116E.02; 116E.03; 144.381; 144.382, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 17; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.05; 18B.15; 18B.16; 18B.19; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.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

#### CHAPTER 103H

#### GROUNDWATER PROTECTION

##### Section 1. [103H.001] [DEGRADATION PREVENTION GOAL.]

*Subdivision 1. [GOAL.] It is the goal of the state that groundwater be maintained in its natural condition, free from degradation caused by human activity. The legislature recognizes that for many human activities the degradation prevention goal cannot always be practicably achieved. In areas where degradation prevention is practicable, the legislature intends that prevention is achieved, and where degradation prevention is not currently practicable, the legislature intends to encourage the development of methods and technology that will make degradation prevention practicable in the future.*

*Subd. 2. [FOCUS OF CHAPTER 103H.] The focus of this chapter is not on pollution spills, incidents, or specific releases or their cleanup actions but rather on protection of groundwater from pollution that occurs from a number of accepted activities or normal uses that cumulatively cause pollution to be commonly detected in groundwater and can be a risk to human health.*

Sec. 2. [103H.005] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.*

*Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" means a pesticide, fertilizer, plant amendment, or soil amendment.*

*Subd. 3. [ADOPTED LONG-TERM RISK MEASUREMENT.] "Adopted long-term risk measurement" means a concentration of a substance or chemical adopted by rule of the commissioner of health that is a potential drinking water contaminant because of a systemic or carcinogenic toxicological result from consumption.*

*Subd. 4. [BEST MANAGEMENT PRACTICES.] "Best management practices" means practicable voluntary practices that are capable of preventing, minimizing, reducing, and eliminating the source of degradation of groundwater, considering economic factors, availability, technical feasibility, implementability, effectiveness, and environmental effects. Best management practices apply to schedules of activities; design and operation standards; restrictions of practices; maintenance procedures; management plans; practices to prevent site releases, spillage, or leaks; application and use of chemicals; drainage from raw material storage; operating procedures; treatment requirements; and other activities causing groundwater degradation.*

*Subd. 5. [COMMON DETECTION.] "Common detection" means detection of a pollutant that is not due to misuse or unusual or unique circumstances, but is likely to be the result of normal use of a product or practice and that frequency of detection of the pollutant can be expected under similar conditions.*

*Subd. 6. [DEGRADATION.] "Degradation" means changing groundwater from its natural condition by human activities.*

*Subd. 7. [FERTILIZER.] "Fertilizer" has the meaning given in chapter 18C.*

*Subd. 8. [PESTICIDE.] "Pesticide" has the meaning given in section 18B.01, subdivision 18.*

*Subd. 9. [PLANT AMENDMENT.] "Plant amendment" has the meaning given in chapter 18C.*

*Subd. 10. [POLLUTANT.] "Pollutant" means a chemical or substance for which an adopted long-term risk measurement has been adopted.*

*Subd. 11. [POLLUTION.] "Pollution" means degradation of groundwater by a pollutant as a result of human activities.*

*Subd. 12. [REGISTERED USE.] "Registered use" means for a pesticide the use by the pesticide authorized by the pesticide's registration and labeling under chapter 18B.*

*Subd. 13. [REGISTRANT.] "Registrant" means the person who has registered a pesticide under chapter 18B.*

*Subd. 14. [SENSITIVE AREA.] "Sensitive area" means a geographic area defined by natural features where there is a significant risk of groundwater degradation from activities conducted at or near the land surface.*

*Subd. 15. [SOIL AMENDMENT.] "Soil amendment" has the meaning*

given in chapter 18C.

*Subd. 16. [WATER RESOURCE PROTECTION REQUIREMENTS.] "Water resource protection requirements" means requirements adopted by rule for one or more pollutants intended to prevent, minimize, reduce, or eliminate the source of pollution of groundwater. Water resource protection requirements include design criteria standards, operation and maintenance procedures, practices to prevent releases, spills, leaks, and incidents, restrictions on use and practices, and treatment requirements.*

*Subd. 17. [WATER OR GROUNDWATER.] "Water" or "groundwater" means groundwater as defined in section 115.01, subdivision 21.*

### PROTECTION OF SENSITIVE AREAS

Sec. 3. [103H.101] [PROTECTION OF SENSITIVE AREAS.]

*Subdivision 1. [CRITERIA FOR DETERMINATION OF SENSITIVE AREAS.] The commissioner of natural resources in consultation with the Minnesota geological survey, soil and water conservation districts, and other interested parties shall develop specific criteria for identifying sensitive groundwater areas and adopt the criteria by rule.*

*Subd. 2. [IDENTIFICATION OF SENSITIVE AREAS.] The commissioner of natural resources shall, in consultation with the Minnesota geological survey, identify the location of sensitive areas by mapping and other appropriate methods after consulting the Minnesota geological survey, soil and water conservation districts, and local water planning authorities.*

*Subd. 3. [NOTIFICATION OF LOCATION OF SENSITIVE AREAS.] The commissioner of natural resources shall:*

*(1) notify political subdivisions with planning or zoning authority and provide maps and other materials that show where sensitive areas are located and indicate the type of risk of groundwater degradation that may occur from activities at or near the surface; and*

*(2) publish notification of sensitive areas in a newspaper of general circulation in the county where the sensitive areas are located.*

*Subd. 4. [INFORMATION GATHERING.] The commissioner of natural resources shall coordinate the collection of state and local information to identify sensitive areas. Information must be automated on or accessible to systems developed at the land management information center of the state planning agency.*

*Subd. 5. [STATE PROTECTION OF SENSITIVE AREAS.] State agencies must consider the special characteristics of a designated sensitive area and prevent, minimize, reduce, or eliminate the source of groundwater degradation in exercising their authority in the area or undertaking or authorizing an activity that may cause groundwater degradation within a sensitive area.*

Sec. 4. [103H.105] [CONSERVATION EASEMENTS TO PROTECT SENSITIVE AREAS.]

*(a) Agricultural land within a sensitive area is marginal agricultural land for purposes of section 40.43, subdivision 2, and is eligible for the conservation reserve program under section 40.43.*

*(b) Notwithstanding section 40.43, subdivision 2, clauses (2) and (5),*

*and subdivision 4, the board of water and soil resources may authorize acquisition of hillside easements that restrict hillside pasturing or grazing of livestock.*

**Sec. 5. [103H.111] [LIABILITY AFTER PROTECTION OF SENSITIVE AREA.]**

*Subdivision 1. [DEFENSE TO LIABILITY.] By complying with subdivision 2, a landowner has a complete defense to liability under other law for degradation of groundwater caused by surface water recharging groundwater. The defense applies to the property allowing recharge of groundwater that is located in a sensitive area and subject to a plan under subdivision 2 after subdivision 2 is complied with.*

*Subd. 2. [PROTECTION PLAN AND PROJECT.] A person has the defense under subdivision 1 if:*

*(1) the soil and water conservation district adopts a plan to protect groundwater from degradation through surface water recharge that applies to the person's property;*

*(2) the projects and practices prescribed by the plan are implemented and clarified as being implemented by the soil and water conservation district;*

*(3) the projects and practices are maintained according to the plan; and*

*(4) unlawful practices are not allowed by the landowner on the property that would disrupt the project and practices implemented under the plan.*

**Sec. 6. [103H.151] [BEST MANAGEMENT PRACTICES.]**

*Subdivision 1. [DEVELOPMENT BY POLLUTION CONTROL AGENCY.] Except as provided in subdivision 2 for agricultural chemicals and practices, the pollution control agency shall develop best management practices for the prevention of groundwater degradation for specific activity categories. The pollution control agency shall contact and receive comments from affected persons and businesses in developing the best management practices. The pollution control agency must publish notice and also solicit comments and recommendations from state agencies and local governments affected by or regulating the activities.*

*Subd. 2. [AGRICULTURAL CHEMICAL BEST MANAGEMENT PRACTICES.] The commissioner of agriculture shall develop best management practices for agricultural chemicals and practices. The commissioner shall give public notice and contact and receive comment from affected persons and businesses interested in developing the best management practices.*

*Subd. 3. [EDUCATION AND PROMOTION.] The commissioners of the pollution control agency and agriculture, in conjunction with the board of water and soil resources, soil and water conservation districts, and the Minnesota extension service, must promote best management practices and provide education about how the use of best management practices will prevent, minimize, reduce, and eliminate the source of groundwater degradation. The promotion and education may include demonstration projects.*

#### GROUNDWATER QUALITY MONITORING

**Sec. 7. [103H.175] [GROUNDWATER QUALITY MONITORING.]**

*Subdivision 1. [MONITORING RESULTS TO BE SUBMITTED TO*

COMMISSIONER OF HEALTH.] *The results of monitoring groundwater quality by state agencies and political subdivisions must be submitted to the commissioner of health.*

*Subd. 2. [COMPUTERIZED DATA BASE.] The commissioner of health shall maintain a computerized data base of the results of groundwater quality monitoring in a manner that is accessible to the pollution control agency, department of agriculture, and department of natural resources. The commissioner of health shall assess the quality and reliability of the data and organize the data in a usable format.*

#### ADOPTED LONG-TERM RISK MEASUREMENTS

##### Sec. 8. [103H.201] [ADOPTED LONG-TERM RISK MEASUREMENTS.]

*Subdivision 1. [PROCEDURE.] (a) If groundwater quality monitoring results show that there is a degradation of groundwater, the commissioner of health may promulgate adopted long-term risk measurements for substances degrading the groundwater.*

*(b) Adopted long-term risk measurements shall be determined by two methods depending on their toxicological end point.*

*(c) For systemic toxicants that are not carcinogens, the adopted long-term risk measurement shall be derived using United States Environmental Protection Agency risk assessment methods using a reference dose, a drinking water equivalent, an uncertainty factor, and a factor for relative source contamination, which in general will measure an estimate of daily exposure to the human population, including sensitive subgroups, that is unlikely to result in deleterious effects during long-term exposure.*

*(d) For toxicants that are known or probable carcinogens, the adopted long-term risk measurement shall be derived from a quantitative estimate of the chemical's carcinogenic potency published by the United States Environmental Protection Agency's carcinogen assessment group.*

*(e) Maximum contaminant levels adopted under the federal Clean Water Drinking Act are adopted long-term risk measurements for the chemicals and substances for which they are adopted.*

*Subd. 2. [REVIEW AND REVISION.] The commissioner of health must review adopted long-term risk measurements every four years and revise them if necessary.*

#### EVALUATION AND COMMON DETECTION OF POLLUTION

##### Sec. 9. [103H.251] [EVALUATION OF DETECTION OF POLLUTANTS.]

*Subdivision 1. [METHODS.] (a) The commissioner of agriculture for pollution resulting from agricultural chemicals and practices and the pollution control agency for other pollutants shall evaluate the detection of pollutants in groundwater of the state. Evaluation of the detection may include collection technique, sampling handling technique, laboratory practices, other quality control practices, climatological conditions, and potential pollutant sources.*

*(b) If conditions indicate a likelihood of the detection of the pollutant or pollutant breakdown product to be a common detection, the commissioner of agriculture or the pollution control agency must begin development of best management practices and continue to monitor for the pollutant or pollutant breakdown products.*

*Subd. 2. [ANALYSIS OF POLLUTION TREND.] The commissioner of agriculture for pollution resulting from agricultural chemicals and practices and the pollution control agency for other pollutants shall develop and implement groundwater monitoring and hydrogeologic evaluation following pollution detection to evaluate pollution frequency and concentration trend. Assessment of the site-specific and pollutant-specific conditions and the likelihood of common detection must include applicable monitoring, pollutant use information, physical and chemical properties of the pollutant, hydrogeologic information, and review of information and data from other local, state, or federal monitoring data bases.*

**Sec. 10. [103H.275] [MANAGEMENT OF POLLUTANTS WHERE GROUNDWATER IS POLLUTED.]**

*Subdivision 1. [AREAS WHERE GROUNDWATER DEGRADATION IS DETECTED.] (a) If groundwater degradation is detected, a state agency or political subdivision that regulates an activity causing or potentially causing a contribution to the pollution identified shall promote implementation of best management practices to prevent or minimize the source of degradation to the extent practicable.*

*(b) The pollution control agency or for agricultural chemicals and practices the commissioner of agriculture may adopt water resource protection requirements under subdivision 3 that are commensurate with the groundwater degradation.*

*Subd. 2. [AREAS WHERE DETECTION INDICATES RISK.] (a) If common detection of groundwater degradation exceeds adopted long-term risk measurements or the common detection trend analysis indicates the common detection will exceed the adopted long-term risk measurement, the pollution control agency or for agricultural chemicals the commissioner of agriculture:*

- (1) must adopt a water resource protection requirement; and*
- (2) may develop more effective best management practices.*

*(b) The water resource protection requirements shall be:*

*(1) designed to prevent, reduce, minimize, and eliminate the source of the pollution to the extent practicable;*

*(2) consistent with the goal of section 1; and*

*(3) designed to prevent the pollution from exceeding or remaining above the adopted long-term risk measurement.*

*Subd. 3. [ADOPTION OF WATER RESOURCE PROTECTION REQUIREMENTS.] (a) The pollution control agency or for agricultural chemicals and practices the commissioner of agriculture shall adopt by rule water resource protection requirements to prevent, minimize, reduce, and eliminate the source of pollution. The water resource protection requirements must be based on the use and effectiveness of best management practices and the product use and practices contributing to the pollution detected. The water resource protection requirements may be adopted for one or more pollutants or a similar class of pollutants.*

*(b) Before the water resource protection requirements are adopted, the pollution control agency or the commissioner of agriculture for agricultural chemicals and practices must notify affected persons and businesses for comments and input in developing the water resource protection requirements.*

(c) *Unless the water resource protection requirements are to cover the entire state, the water resource protection requirements are only effective in areas designated by the commissioner of the pollution control agency by order or for agricultural chemicals and practices in areas designated by the commissioner of agriculture by order. The procedures for issuing the order and the effective date of the order must be included in the water resource protection requirements rule.*

(d) *The water resource protection requirements rule must contain procedures for notice to be given to persons affected by the rule and order of the commissioner. The procedures may include notice by publication, personal service, and other appropriate methods to inform affected persons of the rule and commissioner's order.*

(e) *A person who is subject to a water resource protection requirement may apply to the pollution control agency, or for agricultural chemicals and practices the commissioner of agriculture, and suggest an alternative protection requirement. Within 30 days after receipt, the agency or commissioner of agriculture must approve or deny the request. If the pollution control agency or commissioner of agriculture approves the request, an order must be issued approving the alternative protection requirement.*

(f) *A person who violates a water resource protection requirement relating to pollutants is subject to the penalties for violating a rule adopted under chapter 116. A person who violates a water resource protection requirement relating to agricultural chemicals and practices is subject to the penalties for violating a rule adopted under chapter 18B.*

(g) *The authority of the pollution control agency and the commissioner of agriculture in this section is supplemental to other authority given by law and does not restrict other authorities.*

#### Sec. 11. [NITROGEN COMPOUNDS IN GROUNDWATER STUDY.]

*The pollution control agency and the department of agriculture, in consultation with the board of water and soil resources, shall prepare a report on inorganic nitrogen compounds in groundwater. The report shall consider recommendations made by local government in comprehensive local water plans and shall incorporate the findings of the fertilizer nitrogen task force. This report shall be submitted to the environmental quality board by July 1, 1991. The board shall provide recommendations to the legislature by November 15, 1991, based upon this report.*

*The report shall be based on existing information and shall examine areas in which improvements in the state and local response to this problem are feasible. The report shall address the following issues: the determination of trends in nitrogen pollution; causative factors; the development of recommended best management practices to reduce or minimize the source of pollution; regulatory controls; the feasibility of proposed treatment and corrective or mitigative measures; and the economic impacts of proposed corrective measures.*

### ARTICLE 2

#### WATER RESEARCH, INFORMATION, AND EDUCATION

##### Section 1. [3.887] [LEGISLATIVE COMMISSION ON WATER.]

*Subdivision 1. [ESTABLISHMENT.] A legislative commission on water is established in the legislative branch.*

*Subd. 2. [MEMBERSHIP.] (a) The legislative commission on water shall consist of 12 members appointed as follows:*

*(1) six members of the senate to be appointed by the subcommittee on committees and to serve until their successors are appointed; and*

*(2) six members of the house of representatives to be appointed by the speaker of the house and to serve until their successors are appointed.*

*(b) Vacancies shall be filled in the same manner as the original positions.*

*(c) Vacancies occurring on the commission do not affect the authority of the remaining members of the commission to carry out the function of the commission.*

*Subd. 3. [COMMITTEES.] Two committees shall be established in the legislative commission on water; one on groundwater and one on surface water.*

*Subd. 4. [STAFF.] The legislative commission on water may, without regard to the civil service laws and regulations, appoint and fix the compensation of additional legal and other personnel and consultants necessary to enable the commission to carry out its function, or to contract for services to supply necessary data. State employees subject to civil service laws and regulations who may be assigned to the commission shall retain civil service status without interruption or loss of status or privilege.*

*Subd. 5. [POWERS AND DUTIES.] (a) The legislative commission on water shall review water policy reports and recommendations of the environmental quality board, the biennial report of the board of water and soil resources, and other water-related reports as may be required by law or the legislature.*

*(b) The commission may conduct public hearings and otherwise secure data and comments.*

*(c) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.*

*(d) Data or information compiled by the commission or its committees shall be made available to standing and interim committees of the legislature on request of the chair of the respective committee.*

*Subd. 6. [STUDY.] The legislative commission on water shall study the recommendations of the environmental quality board for the management and protection of water resources in the state, and shall report its findings to the legislature by November 15, 1991, on the state's water management needs for the year 2000.*

*Subd. 7. [REPEALER.] This section is repealed effective June 30, 1995.*

## **Sec. 2. [17.114] [SUSTAINABLE AGRICULTURE.]**

*Subdivision 1. [PURPOSE.] To assure the viability of agriculture in this state, the commissioner shall investigate, demonstrate, report on, and make recommendations on the current and future sustainability of agriculture in this state. Sustainable agriculture has the meaning given to it in Laws 1987, chapter 396, article 12, section 6.*

*Subd. 2. [DEFINITIONS.] For purposes of this section, the following definitions apply:*

*(a) "Sustainable agriculture" represents the best aspects of traditional*



*and modern agriculture by using a fundamental understanding of nature as well as the latest scientific advances to create integrated, self-reliant, resource conserving practices that enhance the enrichment of the environment and provide short- and long-term productive agriculture.*

*(b) "Integrated pest management" means use of a combination of approaches, incorporating the judicious application of ecological principles, management techniques, cultural and biological controls, and chemical methods, to keep pests below levels where they do economic damage.*

*Subd. 3. [DUTIES.] The commissioner shall:*

*(1) establish a clearinghouse and provide information, appropriate educational opportunities and other assistance to individuals, producers, and groups about sustainable agricultural techniques, practices, and opportunities;*

*(2) survey producers and support services and organizations to determine information and research needs in the area of sustainable agricultural practices;*

*(3) demonstrate the applicability of sustainable agriculture practices to conditions in this state;*

*(4) coordinate the efforts of state agencies regarding activities relating to sustainable agriculture;*

*(5) direct the programs of the department so as to work toward the sustainability of agriculture in this state;*

*(6) inform agencies of how state or federal programs could utilize and support sustainable agriculture practices;*

*(7) work closely with farmers, the University of Minnesota, and other appropriate organizations to identify opportunities and needs as well as assure coordination and avoid duplication of state agency efforts regarding research, teaching, and extension work relating to sustainable agriculture; and*

*(8) report to the legislature every odd-numbered year. The report must include:*

*(i) the presentation and analysis of findings regarding the current status and trends regarding the economic condition of producers; the status of soil and water resources utilized by production agriculture; the magnitude of off-farm inputs used; and the amount of nonrenewable resources used by Minnesota farmers;*

*(ii) a description of current state or federal programs directed toward sustainable agriculture including significant results and experiences of those programs;*

*(iii) a description of specific actions the department of agriculture is taking in the area of sustainable agriculture;*

*(iv) a description of current and future research needs at all levels in the area of sustainable agriculture; and*

*(v) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect farm profitability, maintain soil and water quality, reduce input costs, or lessen dependence upon nonrenewable resources.*

*Subd. 4. [INTEGRATED PEST MANAGEMENT APPROACH.] The commissioner shall develop a statewide strategy for the promotion and use of integrated pest management. The commissioner shall develop the strategy in consultation and cooperation with state agencies, the University of Minnesota, the Minnesota extension service, local units of government, and the private sector. The strategy shall include delineation of the roles and responsibilities of state agencies, higher education, local units of government, and the private sector.*

*Subd. 5. [COOPERATION OF OTHER AGENCIES.] Other state agencies and the University of Minnesota shall cooperate with the commissioner in the exercise of the responsibilities in this section. The commissioner shall consult with the University of Minnesota and other agencies and organizations in carrying out these duties.*

**Sec. 3. [17.117] [ENVIRONMENTAL AGRICULTURALIST EDUCATION PROGRAM.]**

*Subdivision 1. [POSITION DUTIES.] An environmental agricultural program is established:*

- (1) to work with agricultural producers;*
- (2) to advise and inform agricultural producers on the impact of certain farming practices on water quality;*
- (3) to promote sustainable agriculture through use of best management practices and integrated pest management;*
- (4) to demonstrate and evaluate alternative pesticide practices; and*
- (5) to develop and promote farm profitability through a reduction in farm inputs.*

*Subd. 2. [CONTRACT.] The legislative commission on water may request proposals and award contracts for the program.*

**Sec. 4. Minnesota Statutes 1988, section 40.42, is amended by adding a subdivision to read:**

*Subd. 6a. [SENSITIVE AREA.] "Sensitive area" means the sensitive areas delineated by mapping or areas under article 1, section 3.*

**Sec. 5. Minnesota Statutes 1988, 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 complies with paragraph (b) and:**

- (1) is marginal agricultural land; ~~or~~;**
- (2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description; ~~or~~;**
- (3) consists of a drained wetland; ~~or is land that with a windbreak would be beneficial to resource protection~~; and 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;**
- (4) is land that with a windbreak would be beneficial to resource protection;**
- (5) is land in a sensitive area; or**

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

(b) Land under paragraph (a) may be placed in the conservation reserve program if the land:

(2) (1) 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) (2) 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) (3) is not set aside, enrolled or diverted under another federal or state government program; and

(5) (4) except for land on a hillside used for pasture was in agricultural crop production for at least two years during the period 1981 to 1985.

(c) 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.

(d) 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. 6. Minnesota Statutes 1988, section 40.43, subdivision 6, is amended to read:

Subd. 6. [PAYMENTS FOR CONSERVATION EASEMENTS AND ESTABLISHMENT OF COVER.] (a) The commissioner must make the following payments to the landowner for the conservation easement and agreement:

(1) to establish the perennial cover or other improvements required by the agreement, up to 75 percent of the total eligible cost not to exceed \$75 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$100 per acre for perpetual easements;

(2) for the cost of planting trees required by the agreement, up to 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$300 per acre for perpetual easements;

(3) for a permanent easement, 70 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time of easement application;

(4) for an easement of limited duration, 90 percent of the present value of the average of the accepted bids for the federal conservation reserve program, as contained in Public Law Number 99-198, in the relevant geographic area and on bids accepted at the time of easement application; or

(5) an alternative payment system for easements based on cash rent or

a similar system as may be determined by the commissioner.

*(b) For hillside pasture conservation easements, the payments in paragraph (a) must be reduced to reflect the value of similar property.*

*(c) The commissioner may not pay more than \$50,000 to a landowner for all the landowner's conservation easements and agreements.*

**Sec. 7. [103A.43] [WATER RESEARCH NEEDS EVALUATION.]**

*(a) The environmental quality board shall evaluate and report to the legislative commission on water on statewide water research needs and recommended priorities for addressing these needs. Local water research needs may also be included.*

*(b) The environmental quality board shall conduct a biennial assessment of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water.*

*(c) The environmental quality board shall assess the quantity of surface and ground water in the state and the availability of water to meet the state's needs.*

*(d) The environmental quality board shall prepare and submit a report to the legislative commission on water by November 15 of each even-numbered year.*

**Sec. 8. [103A.44] [WATER RESOURCES AND INFORMATION NEEDS.]**

*Subdivision 1. [DUTIES.] The environmental education board shall:*

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

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

*(3) coordinate the dissemination of water information and education through existing delivery systems;*

*(4) prepare an interdisciplinary program of instruction on water education for students in kindergarten through grade 12 and their teachers; and*

*(5) prepare an annual report on program results.*

*Subd. 2. [STATE AGENCY ACTIVITIES MUST BE CONSISTENT.] State agency information and education activities must be coordinated with the implementation plan required under this section.*

**Sec. 9. [103B.3361] [CITATION.]**

*Sections 103B.3361 to 103B.3369 may be cited as the "local water resources protection and management program."*

**Sec. 10. [103B.3363] [DEFINITIONS.]**

*Subdivision 1. [SCOPE.] The definitions in this section apply to sections 103B.3363 and 103B.3369.*

*Subd. 2. [BOARD.] "Board" means the board of water and soil resources.*

*Subd. 3. [COMPREHENSIVE LOCAL WATER PLAN.] "Comprehensive local water plan" means a county water plan authorized under section*

*110B.04, a watershed management plan required under section 473.878, a watershed management plan required under section 112.46, or a county groundwater plan authorized under section 473.8785.*

*Subd. 4. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, or soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, a local health board, or other special purpose district or authority with local jurisdiction in water and related land resources management.*

*Subd. 5. [PROGRAM.] "Program" means a water-related program.*

**Sec. 11. [103B.3369] [LOCAL WATER RESOURCES PROTECTION AND MANAGEMENT PROGRAM.]**

*Subdivision 1. [ESTABLISHMENT.] A local water resources protection and management program is established. The board shall provide financial assistance to counties for local government activities that protect or manage water and related land quality. The activities include planning, zoning, official controls, and other activities to implement comprehensive local water plans.*

*Subd. 2. [COUNTY REQUEST AND SPONSORSHIP] Counties must submit funding requests to the board. A county must coordinate and submit requests on behalf of other units of government within its jurisdiction.*

*Subd. 3. [CONTRACTS WITH LOCAL GOVERNMENTS.] A county may contract with other appropriate local units of government to implement programs. An explanation of the program responsibilities proposed to be contracted with other local units of government must accompany grant requests. A county that contracts with other local units of government is responsible for ensuring that state funds are properly expended and for providing an annual report to the board describing expenditures of funds and program accomplishments.*

*Subd. 4. [FINANCIAL ASSISTANCE.] The board may award grants to counties only to carry out water resource protection and management programs identified as priorities in comprehensive local water plans. Grants may be used to employ persons and to obtain and use information necessary to:*

*(1) develop comprehensive local water plans under section 110B.04 that have not received state funding for water resources planning as provided for in Laws 1987, chapter 404, section 30, subdivision 5, clause (a);*

*(2) implement comprehensive local water plans; and*

*(3) revision of shoreland zoning ordinances for work to be completed before July 1, 1991.*

*Subd. 5. [LIMITATIONS.] (a) Grants provided to implement programs under this section must be reviewed by the state agency having statutory program authority to assure compliance with minimum state standards. At the request of the state agency commissioner, the board shall revoke the portion of a grant used to support a program not in compliance.*

*(b) Grants provided to develop comprehensive local water plans may not be awarded for a time period greater than two years.*

*(c) A county may not request or be awarded grants for project implementation unless a comprehensive water plan has been adopted.*

*Subd. 6. [RULES.] The board shall adopt rules that:*

*(1) establish performance criteria for grant administration for local implementation of state delegated or mandated programs that recognize regional variations in program needs and priorities;*

*(2) recognize the unique nature of state delegated or mandated programs;*

*(3) specify that program activities contracted by a county to another local unit of government are eligible for funding; and*

*(4) require that grants from the board may not exceed the amount matched by participating local units of government.*

*Subd. 7. [PRIORITIES.] (a) In reviewing requests, the board must give priority to requests based on:*

*(1) completion of comprehensive water plans under sections 110B.04 and 473.8785;*

*(2) adoption, administration, and enforcement of official controls;*

*(3) indicate the participation of several local units of government, including multicounty efforts;*

*(4) complement efforts of federal, state, and local units of government; and*

*(5) demonstrate long-term commitments to effective water protection and management programs.*

*(b) The board shall consult with appropriate agencies to evaluate grant requests and coordinate project activities with other state, federal, and local research management projects.*

*(c) Grants specified for shoreland management shall be allocated according to priorities established by the commissioner of natural resources.*

*(d) The grants shall be allocated to counties based on the length of shoreland in the county.*

*(e) Aid from any federal program shall reduce the state and local contribution to the activity equally.*

*(f) Shoreland management rules adopted by the commissioner after January 1, 1989, are not effective until all affected counties receive state appropriations necessary for the adoption, administration, and enforcement of shoreland ordinances.*

Sec. 12. Minnesota Statutes 1988, section 110B.04, subdivision 6, is amended to read:

Subd. 6. [SCOPE OF PLANS.] Comprehensive water plans must include:

(1) a description of the existing and expected changes to physical environment, land use, and development in the county;

(2) available information about the surface water, groundwater, and related land resources in the county, including existing and potential distribution, availability, quality, and use;

(3) objectives for future development, use, and conservation of water and

related land resources, including objectives that concern water quality and quantity, *and sensitive areas, wellhead protection areas*, and related land use conditions, and a description of actions that will be taken in affected watersheds or groundwater systems to achieve the objectives;

(4) a description of potential changes in state programs, policies, and requirements considered important by the county to management of water resources in the county;

(5) a description of conflicts between the comprehensive water plan and existing plans of other local units of government;

(6) a description of possible conflicts between the comprehensive water plan and existing or proposed comprehensive water plans of other counties in the affected watershed units or groundwater systems;

(7) a program for implementation of the plan that is consistent with the plan's management objectives and includes schedules for amending official controls and water and related land resources plans of local units of government to conform with the comprehensive water plan, and the schedule, components, and expected state and local costs of any projects to implement the comprehensive water plan that may be proposed, although this does not mean that projects are required by this section; and

(8) a procedure for amending the comprehensive water plan.

Sec. 13. Minnesota Statutes 1988, section 116C.41, subdivision 1, is amended to read:

Subdivision 1. [WATER PLANNING.] The board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) initiate, coordinate, and continue to develop comprehensive long-range water resources planning in furtherance of the plan adopted by the water planning board entitled "A Framework for a Water and Related Land Resources Strategy for Minnesota, 1979" *including a new plan and strategy by November 15, 1990, and each five-year interval afterwards;*

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies; ~~and~~

(4) *coordinate development of state water policy recommendations and priorities, and a recommended program for funding identified needs, including priorities for implementing the state water resources monitoring plan;*

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

(6) administer federal water resources planning with multiagency interests; *and*

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

Sec. 14. Minnesota Statutes 1988, section 116E.02, is amended to read:

116E.02 [ESTABLISHMENT BOARD AND COUNCILS.]

Subdivision 1. [~~MEMBERSHIP; TERMS ESTABLISHMENT.~~] A ~~state environmental education board, designated as (a) The environmental education board, is hereby created established.~~

(b) Regional environmental education councils, ~~subordinate to under the direction of the environmental education board and designated as regional environmental education councils~~ are hereby created established to represent the regions of the state designated by the governor pursuant to ~~Minnesota Statutes 1971, under section 462.385.~~

*Subd. 1a.* [~~MEMBERSHIP.~~] (a) The ~~state environmental education board shall consist consists of three members:~~

- (1) one member appointed by the commissioner of natural resources and;
- (2) one member appointed by the commissioner of agriculture;
- (3) one member appointed by the commissioner of health;
- (4) one member appointed by the commissioner of the pollution control agency;
- (5) one member appointed by the chair of the board of water and soil resources;
- (6) ~~three~~ two members appointed by the commissioner of education;
- (7) one member appointed by the Minnesota extension service; and
- (8) one member from each of the regional *environmental education* councils.

(b) Each regional council shall elect one member to serve on the ~~state environmental education board.~~

*Subd. 1b.* [~~REGIONAL ENVIRONMENTAL EDUCATION COUNCILS.~~] (a) Regional *environmental education* councils shall consist of 12 members, appointed by the chair of the ~~state environmental education board~~ with approval of the ~~state environmental education board, with.~~ At least one person ~~representing~~ must represent each of the following groups: ~~(a)~~ (1) public school systems having grade levels kindergarten through 12, inclusive; ~~(b)~~ (2) post-secondary educational institutions; ~~(c)~~ (3) regional economic development commissions, where established; ~~(d)~~ (4) voluntary organizations; ~~(e)~~ (5) business, industry and agriculture; ~~(f)~~ (6) labor organizations; and ~~(g)~~ (7) elected local government officers.

(b) The term of a member of a regional *environmental education* council shall ~~begin~~ begins on July 1 and shall ~~extend~~ extends for a four-year term and until a successor is ~~duly~~ appointed and ~~qualifies~~ qualified.

(c) A vacancy in the office of a member of ~~any~~ a regional *environmental education* council shall ~~must~~ be filled by the appointing authority, for the unexpired term.

(d) The regional *environmental education* council corresponding to the metropolitan area regional development commission as designated by the governor pursuant to *under section 462.385* shall ~~must~~ consist of one member from each of the five task forces ~~hereafter created established~~ and seven public members. One task force consisting of seven members shall be appointed by the chair of the *state environmental education* board with the approval of the *environmental education* board to represent each of the



following five geographic areas: (1) the city of Minneapolis; (2) the remainder of Hennepin county; (3) Carver, Scott and Dakota counties; (4) Ramsey county; and (5) Anoka and Washington counties. Each task force shall select one of its members to serve on the metropolitan regional environmental education council. Members of the task forces shall be compensated and shall have terms similar to ~~those members~~ of the regional environmental education councils.

Subd. 2a. [BOARD MEMBERSHIP TERMS.] The membership terms, compensation, removal of members, and filling of vacancies on the ~~state~~ *environmental education board* shall be as provided in section 15.0575.

Subd. 3. [QUALIFICATIONS OF MEMBERS.] The membership of the ~~state~~ *environmental education board* and regional *environmental education councils* shall ~~must~~ be broadly representative of the skills and experience necessary to effectuate the policies of sections 116E.01 to ~~116E.04~~ 116E.05.

Subd. 4. [OFFICERS AND COMPENSATION.] The ~~state~~ *environmental education board* and each regional *environmental education council* shall select a chair and ~~such~~ other officers as they deem necessary. Members of the regional *environmental education councils* shall serve without compensation, but each member of the regional *environmental education councils* may be reimbursed for actual and necessary expenses incurred in the performance of ~~that~~ *the member's* duties.

Sec. 15. Minnesota Statutes 1988, section 116E.03, is amended to read:  
116E.03 [POWERS AND DUTIES.]

Subdivision 1. [GENERALLY SUPERVISION AND BUDGET.] (a) The environmental education board shall operate under the general supervision of the ~~commissioner of natural resources~~ *environmental quality board*.

(b) The environmental education board shall submit its budget to the ~~commissioner~~ *environmental quality board* each year for review and approval.

(c) Twice each year the ~~state~~ *environmental education board* shall report to the ~~commissioner~~ *environmental quality board* on the status of its programs and operations.

Subd. 1a. [GENERAL POWERS AND DUTIES.] In addition to ~~any~~ powers ~~or~~ *and* duties otherwise prescribed by law and without limiting the same, the ~~state~~ *environmental education board* shall ~~have~~ *has* the powers and duties ~~hereinafter~~ *specified in this section*.

Subd. 2. [PLANNING.] The ~~state~~ *environmental education board* shall prepare and from time to time revise a plan for environmental education within the state or ~~part thereof~~ *parts of the state*.

Subd. 3. [ADVISE LEGISLATURE AND GOVERNOR.] The ~~state~~ *environmental education board* shall advise the legislature and the governor concerning the status of environmental education in the state and give its recommendations concerning the subject.

Subd. 4. [RELATING TO REGIONAL ENVIRONMENTAL EDUCATION COUNCILS.] The ~~state~~ *environmental education board* shall coordinate the activities of the regional environmental education councils and shall adopt rules relating to the activities of regional *environmental education councils* to assure that ~~such~~ *the* activities are consistent with the ~~state board's~~ plan for environmental education throughout the state. At least half of the money spent by the ~~state~~ *environmental education board* and

regional *environmental education* councils shall be for cooperation with and service for other groups, agencies, and institutions for the dissemination of environmental information.

Subd. 5. [STUDIES AND REPORTS.] The *state environmental education* board may prepare studies and reports on the subject of environmental education as necessary to fulfill its responsibilities under sections 116E.01 to ~~116E.04~~ 116E.05.

Subd. 6. [DELEGATION TO REGIONAL COUNCILS.] The *state environmental education* board may, pursuant to a written agreement with a regional *environmental education* council, delegate its authority as ~~provided herein to any a regional environmental education council created and organized under authority of sections 116E.01 to 116E.04.~~

Subd. 7. [EMPLOYMENT OF STAFF.] The *state environmental education* board and the regional *environmental education* councils may employ ~~such~~ administrative and clerical staff as may be necessary to carry out ~~the~~ their functions of the *state board* and regional councils as described in sections ~~116E.01 to 116E.04~~, including, ~~but not limited to~~, an executive director to represent and manage the affairs of the *state environmental education* board, ~~and/or~~ and regional *environmental education* councils, ~~as the case may be. In addition~~. The *state environmental education* board and regional *environmental education* councils may employ and fix the compensation of ~~such~~ experts and consultants as may be necessary to carry out their functions ~~under sections 116E.01 to 116E.04.~~

Subd. 7a. [EXECUTIVE DIRECTOR.] The executive director of the *state environmental education* board shall be experienced in the administration of environment-related programs. All employees serving the *environmental education* board shall be in the classified civil service of the state. This subdivision shall not apply to board employees serving on July 1, 1976.

Subd. 8. [CONTRACTS.] (a) The chief administrative officer of the *state environmental education* board may contract with persons, firms, corporations, organizations, units of government or institutions of higher learning for doing any of the work of the chief administrative officer, and ~~none of~~ the provisions of chapter 16, relating to bids, ~~shall do not~~ apply to ~~such~~ the contracts.

(b) The regional *environmental education* councils may contract with the regional development commissions designated by the governor ~~pursuant to Minnesota Statutes 1971~~, under section 462.385, to accomplish the purposes of sections 116E.01 to ~~116E.04~~ 116E.05. ~~All~~

(c) Personnel employed and ~~all~~ contracts entered into ~~pursuant to~~ under this subdivision ~~shall be~~ are subject to the approval of the *state environmental education* board.

(d) Agreements to exercise delegated powers shall be by written order filed with the secretary of state.

Subd. 9. [PRIVATE ~~GRANT~~ GRANTS AND FEDERAL FUNDS.] (a) The chief administrative officer of the *state environmental education* board is the state agent to apply for, receive, and disburse private grant and federal funds made available to the state by private organizations or federal law or rules and regulations ~~promulgated thereunder~~ for any purpose related to the powers and duties of the *state environmental education* board or the

regional *environmental education* councils.

(b) The chief administrative officer shall comply with any and all requirements of ~~such the private organizations or, federal law or such, and federal rules and regulations promulgated thereunder~~ to enable the funds to be applied for, received, and disbursed. ~~All such moneys~~

(c) ~~The money received by the chief administrative officer of the state environmental education board shall be deposited in the state treasury and are hereby is annually appropriated to the chief administrative officer for the purposes for which they are it is received. None of such moneys in the state treasury shall~~ *The appropriation does not cancel and they shall be is available for expenditure in accordance with the requirements of federal law or the terms of such the private grants. No*

(d) ~~An application for federal funds or private grants under this subdivision shall may not be submitted to federal authorities or private organizations for approval unless the proposed budget for the expenditure of such the funds is approved by the governor and reported to the standing committee on finance of the senate and the standing committee on appropriations of the house of representatives.~~

### ARTICLE 3

#### CHAPTER 1031

#### WELLS, BORINGS, AND UNDERGROUND USES

##### Section 1. [1031.001] [LEGISLATIVE INTENT.]

*This chapter is intended to protect the health and general welfare by providing a means for the development and protection of the natural resource of groundwater in an orderly, healthful, and reasonable manner. [156A.01]*

##### Sec. 2. [1031.005] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this chapter apply to this chapter.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.*

*Subd. 3. [DEPARTMENT.] "Department" means the department of health.*

*Subd. 4. [DRIVE POINT WELL.] "Drive point well" means a well constructed by forcing a pointed well screen, attached to sections of pipe, into the ground with the screen and casing forced or driven into the ground with a hammer, maul, or weight.*

*Subd. 5. [ELEVATOR SHAFT.] "Elevator shaft" means a bore hole, jack hole, drilled hole, or excavation constructed to install an elevator shaft or hydraulic cylinder.*

*Subd. 6. [ELEVATOR SHAFT CONTRACTOR.] "Elevator shaft contractor" means a person with an elevator shaft contractor's license issued by the commissioner.*

*Subd. 7. [ENVIRONMENTAL BORE HOLE.] "Environmental bore hole" means a hole or excavation in the ground used to monitor chemical, radiological, or biological contaminants that may cause environmental damage. An environmental bore hole also includes bore holes constructed for vapor recovery or venting systems. An environmental bore hole does not include a well, elevator shaft, exploratory boring, or monitoring well.*

*Subd. 8. [EXPLORATORY BORING.] "Exploratory boring" means a surface drilling done to explore or prospect for oil, natural gas, and metallic minerals, including iron, copper, zinc, lead, gold, silver, titanium, vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium, beryllium, thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and niobium, and a drilling or boring for aggregate or petroleum. [156A.02 s. 5]*

*Subd. 9. [EXPLORER.] "Explorer" means a person who has the right to drill an exploratory boring. [156A.02 s. 4]*

*Subd. 10. [GROUNDWATER THERMAL EXCHANGE DEVICE.] "Groundwater thermal exchange device" means a heating or cooling device that depends on extraction and reinjection of groundwater from an independent aquifer to operate. [156A.02 s. 6]*

*Subd. 11. [LIMITED WELL CONTRACTOR.] "Limited well contractor" means a person with a limited well contractor's license issued by the commissioner.*

*Subd. 12. [MONITORING WELL.] "Monitoring well" means an excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed to extract groundwater for physical, chemical, or biological testing. "Monitoring well" includes:*

*(1) a groundwater quality sampling well;*

*(2) test borings for piezometer wells for engineering purposes; and*

*(3) wells installed to measure groundwater levels or to test hydrologic properties in an area being investigated for potential or existing groundwater contamination.*

*Subd. 13. [MONITORING WELL CONTRACTOR.] "Monitoring well contractor" means a person who is registered by the commissioner to construct monitoring wells.*

*Subd. 14. [PERSON.] "Person" means an individual, firm, partnership, association, or corporation.*

*Subd. 15. [PROVISIONS OF THIS CHAPTER.] "Provisions of this chapter" means the sections in this chapter and rules adopted by the commissioner under this chapter.*

*Subd. 16. [SEALED WELL CERTIFICATE.] "Sealed well certificate" means the certificate containing information required under section 20.*

*Subd. 17. [VERTICAL HEAT EXCHANGER.] "Vertical heat exchanger" means an earth-coupled heating or cooling device consisting of a sealed piping system installed vertically in the ground to transfer heat to or from the surrounding earth. [156A.02 s. 7]*

*Subd. 18. [WATER WELL CONSTRUCTION CODE.] "Water well construction code" means Minnesota Rules, chapter 4725, governing water well construction.*

*Subd. 19. [WELL.] "Well" means an excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed if the excavation is intended for the location, diversion, artificial recharge, or acquisition of groundwater. "Well" does not include:*

*(1) an excavation by backhoe, or otherwise for temporary dewatering*

*of groundwater for nonpotable use during construction, if the depth of the excavation is 25 feet or less;*

*(2) an excavation made to obtain or prospect for oil, natural gas, minerals, or products of mining or quarrying; or*

*(3) an excavation to insert media to repressure oil or natural gas bearing formations or to store petroleum, natural gas, or other products. [156A.02 s. 1]*

*Subd. 20. [WELL CERTIFICATE.] "Well certificate" means a certificate containing the requirements of section 15, subdivision 1, paragraph (d).*

*Subd. 21. [WELL CONTRACTOR.] "Well contractor" means a person with a well contractor's license. [156A.02 s. 2]*

*Subd. 22. [WELLHEAD PROTECTION AREA.] "Wellhead protection area" means the surface and subsurface area surrounding a well or well field that supplies a public water system, through which contaminants are likely to move toward and reach the well or well field.*

#### JURISDICTION OVER WELLS AND BORINGS

**Sec. 3. [103I.101] [POWERS AND DUTIES OF THE COMMISSIONER OF HEALTH.]**

*Subdivision 1. [POWERS OF COMMISSIONER.] The commissioner has the powers reasonable and necessary to effectively exercise the authority granted by this chapter. [156A.05 s. 1]*

*Subd. 2. [DUTIES.] The commissioner shall:*

*(1) regulate the drilling, construction, and sealing of wells;*

*(2) examine and license well contractors, persons modifying or repairing well casings, well screens, or well diameters; constructing unconventional wells such as drive point wells or dug wells; sealing wells; installing well pumps or pumping equipment; and excavating or drilling holes for the installation of elevator shafts or hydraulic cylinders;*

*(3) register and examine monitoring well contractors;*

*(4) license explorers engaged in exploratory boring and examine individuals who supervise or oversee exploratory boring;*

*(5) after consultation with the commissioner of natural resources and the pollution control agency, establish standards for the design, location, construction, repair, and sealing of wells and elevator shafts within the state; and*

*(6) issue permits for wells, groundwater thermal devices, vertical heat exchangers, and excavation for holes to install elevator shafts or hydraulic cylinders.*

*Subd. 3. [PROCEDURES FOR PERMITS.] The commissioner shall establish procedures for application, approval, and issuance of permits by rule. The commissioner may modify fees by rule.*

*Subd. 4. [INSPECTIONS BY COMMISSIONER.] The commissioner may inspect, collect water samples, and have access, at all reasonable times, to a well site, including wells drilled, sealed, or repaired. [156A.05 s. 3]*

*Subd. 5. [COMMISSIONER TO ADOPT RULES.] The commissioner shall adopt rules including:*

*(1) issuance of licenses for:*

*(i) qualified well contractors, persons modifying or repairing well casings, well screens, or well diameters;*

*(ii) persons constructing unconventional wells such as drive points or dug wells;*

*(iii) persons sealing wells; and*

*(iv) persons installing well pumps or pumping equipment and excavating holes for installing elevator shafts or hydraulic cylinders;*

*(2) issuance of registration for monitoring well contractors;*

*(3) establishment of conditions for examination and review of applications for license and registration;*

*(4) establishment of conditions for revocation and suspension of license and registration;*

*(5) establishment of minimum standards for design, location, construction, repair, and sealing of wells to implement the purpose and intent of this chapter;*

*(6) establishment of a system for reporting on wells drilled and sealed;*

*(7) modification of fees prescribed in this chapter, according to the procedures for setting fees in section 16A.128;*

*(8) establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination, for which the commissioner may adopt emergency rules;*

*(9) establishment of wellhead protection measures for wells serving public water supplies;*

*(10) establishment of procedures to coordinate collection of well data with other state and local governmental agencies; and*

*(11) establishment of criteria and procedures for submission of well logs, formation samples or well cuttings, water samples, or other special information required for geologic and water resource mapping. [156A.05 s. 2]*

*Subd. 6. [FEES FOR VARIANCES.] The commissioner shall charge a nonrefundable application fee of \$150 to cover the administrative cost of processing a request for a variance or modification of rules under Minnesota Rules, part 4725.0400.*

**Sec. 4. [1031.103] [WASTE PREVENTION MAY BE REQUIRED.]**

*The commissioner of natural resources may require the owners of wells, especially flowing artesian wells, to prevent waste to conserve the ground-water water supply of the state. [105.51 s. 1]*

**Sec. 5. [1031.105] [ADVISORY COUNCIL ON WELLS AND BORINGS.]**

*(a) The advisory council on wells and borings is established as an advisory council to the commissioner. The advisory council shall consist of 15 voting members. Of the 15 voting members:*

*(1) one member must be from the department of health, appointed by*

*the commissioner of health;*

*(2) one member must be from the department of natural resources, appointed by the commissioner of natural resources;*

*(3) one member must be a member of the Minnesota geological survey of the University of Minnesota, appointed by the director;*

*(4) one member must be a licensed exploratory borer;*

*(5) one member must be a licensed elevator shaft contractor;*

*(6) two members must be members of the public who are not connected with the business of exploratory boring or the well drilling industry;*

*(7) one member must be from the pollution control agency, appointed by the commissioner of the pollution control agency;*

*(8) one member must be a monitoring well contractor; and*

*(9) six members must be residents of this state appointed by the commissioner, who are actively engaged in the well drilling industry, with not more than two from the seven county metropolitan area and at least four from other areas of the state who represent different geographical regions.*

*(b) An appointee of the well drilling industry may not serve more than two consecutive terms.*

*(c) The appointees to the advisory council from the well drilling industry must:*

*(1) have been residents of this state for at least three years before appointment; and*

*(2) have at least five years' experience in the well drilling business.*

*(d) The terms of the appointed members and the compensation and removal of all members are governed by section 15.059, except section 15.059, subdivision 5, relating to expiration of the advisory council does not apply. [156A.06]*

**Sec. 6. [103I.111] [LOCAL AUTHORITY OVER WELLS AND BORINGS.]**

*Subdivision 1. [DELEGATION OF DUTIES OF COMMISSIONER.] (a) The commissioner of health may enter into an agreement with a board of health to delegate all or part of the inspection, reporting, and enforcement duties authorized under provisions of this chapter pertaining to permitting, construction, repair, and sealing of wells and elevator shafts. [145A.07 s. 1]*

*(b) A board of health may delegate its powers and duties to other boards of health within its jurisdiction. An agreement to delegate powers and duties of a board of health must be approved by the commissioner and is subject to subdivision 3. [145A.07 s. 2]*

*Subd. 2. [DELEGATION AGREEMENTS.] (a) Agreements authorized under this section must be in writing and signed by the delegating authority and the designated agent.*

*(b) The agreement must list criteria the delegating authority will use to determine if the designated agent's performance meets appropriate standards and is sufficient to replace performance by the delegating authority.*

(c) *The agreement may specify minimum staff requirements and qualifications, set procedures for the assessment of costs, and provide for termination procedures if the delegating authority finds that the designated agent fails to comply with the agreement.*

(d) *A designated agent must not perform licensing, inspection, or enforcement duties under the agreement in territory outside its jurisdiction unless approved by the governing body for that territory through a separate agreement.*

(e) *The scope of agreements established under this section is limited to duties and responsibilities agreed upon by the parties. The agreement may provide for automatic renewal and for notice of intent to terminate by either party.*

(f) *During the life of the agreement, the delegating authority shall not perform duties that the designated agent is required to perform under the agreement, except inspections necessary to determine compliance with the agreement and this section or as agreed to by the parties.*

(g) *The delegating authority shall consult with, advise, and assist a designated agent in the performance of its duties under the agreement.*

(h) *This section does not alter the responsibility of the delegating authority for the performance of duties specified in law. [145A.07 s. 3]*

*Subd. 3. [PREEMPTION WITHOUT DELEGATION.] Notwithstanding any other law, a political subdivision may not regulate the permitting, construction, repair, or sealing of wells or elevator shafts unless the commissioner delegates authority under subdivisions 1 and 2.*

*Subd. 4. [LOCAL AUTHORITY OVER EXPLORATORY BORING.] This chapter does not limit the authority of a local unit of government to prohibit mineral exploration within its boundaries, require permits from explorers, or impose reasonable requirements and fees upon explorers, that is consistent with other law. [156A.075]*

*Subd. 5. [LOCAL GOVERNMENT REGULATION OF OPEN WELLS AND RECHARGING BASINS.] (a) The governing body of a county, municipality, statutory or home rule charter city, or town may regulate open wells and recharging basins and may provide penalties for the violations. The use or maintenance of an open well or recharging basin that endangers the safety of a considerable number of persons may be defined as a public nuisance and abated as a public nuisance. [471.92 s. 1]*

*(b) The abatement of the public nuisance may include covering the open well or recharging basin or surrounding the open well or recharging basin with a protective fence. [471.92 s. 2]*

*Subd. 6. [UNSEALED WELLS ARE PUBLIC HEALTH NUISANCES.] A well that is required to be sealed under section 17 but is not sealed is a public health nuisance. A county may abate the unsealed well with the same authority of a board of health to abate a public health nuisance under section 145A.04, subdivision 8.*

*Subd. 7. [LOCAL LICENSE OR REGISTRATION FEES PROHIBITED.] (a) A political subdivision may not require a licensed well contractor to pay a license or registration fee.*

*(b) The commissioner of health must provide a political subdivision with a list of licensed well contractors upon request. [156A.07 s. 9]*



*Subd. 8. [MUNICIPAL REGULATION OF DRILLING.] A municipality may regulate all drilling, except well, elevator shaft, and exploratory drilling that is subject to the provisions of this chapter, above, in, through, and adjacent to subsurface areas designated for mined underground space development and existing mined underground space. The regulations may prohibit, restrict, control, and require permits for the drilling. [469.141 s. 2]*

## WELL CONSTRUCTION AND OWNERSHIP

### Sec. 7. [103I.201] [COMPLIANCE WITH THIS CHAPTER REQUIRED.]

*A person may not construct, repair, or seal a well, exploratory boring or elevator shaft, except as provided under the provisions of this chapter.*

### Sec. 8. [103I.205] [WELL CONSTRUCTION.]

*Subdivision 1. [WRITTEN CONTRACT REQUIRED.] A person may not construct a well for compensation until the well owner and the person sign a written contract that describes the nature of the work to be performed, and the estimated cost of the work.*

*Subd. 2. [PERMIT REQUIRED.] (a) A person may not construct a well until a permit for the well is issued by the commissioner for the construction. If after obtaining a permit an attempt to construct a well is unsuccessful, a new permit is not required as long as the initial permit is modified to indicate the location of the successful well.*

*(b) The property owner where a well is to be located must obtain the permit for the well construction from the commissioner.*

*(c) The permit under this subdivision preempts local permits, and counties or home rule charter or statutory cities may not require a permit for wells.*

*Subd. 3. [EMERGENCY PERMIT EXEMPTIONS.] The commissioner may adopt rules that modify the procedures for applying for a permit for construction if conditions occur that:*

*(1) endanger the public health and welfare or cause a need to protect the groundwater; and*

*(2) require the monitoring well contractor or well contractor to begin constructing a well before obtaining a permit.*

*Subd. 4. [PERMIT FEES.] The permit fee to be paid by a property owner is:*

*(1) for a new well drilled that produces less than 50 gallons a minute based on the actual capacity of the pump installed, \$150;*

*(2) for a new well that produces 50 gallons a minute or more based on the actual capacity of the pump installed, \$300; and*

*(3) for a well that is inoperable or disconnected from a power supply, \$50.*

*Subd. 5. [LICENSE REQUIRED.] Except as provided in section 29, a person may not drill, construct, or repair a well unless the person has a well contractor's license in possession. [156A.03 s. 2]*

*Subd. 6. [DISTANCE REQUIREMENTS FOR SOURCES OF CONTAMINATION.] A person may not place, construct, or install an actual*

*or potential source of contamination any closer to a well than the isolation distances set in the water well construction code unless a variance has been granted as prescribed by rule.*

*Subd. 7. [WELL IDENTIFICATION LABEL REQUIRED.] After a well has been constructed, the person constructing the well must attach a label to the well showing the unique well number, the depth of the well, the name of the person who constructed the well, and the date the well was constructed.*

*Subd. 8. [REPORT OF WORK.] (a) Within 30 days after completion or sealing of a well, the person doing the work must submit a verified report to the commissioner on forms provided by the commissioner.*

*(b) The report must contain:*

*(1) the name and address of the owner of the well and the actual location of the well;*

*(2) a log of the materials and water encountered in connection with drilling the well, and pumping tests relating to the well; and*

*(3) other information the commissioner may require concerning the drilling or sealing of the well.*

*(c) Within 30 days after receiving the report, the commissioner shall send a copy of the report to the commissioner of natural resources, the local soil and water conservation district where the well is located, and to the director of the Minnesota geological survey.*

**Sec. 9. [103I.211] [DRILLING RECORDS.]**

*(a) A person, firm, or corporation that provides the means of appropriating groundwater by drilling, boring, or another manner must file a verified statement with the director of the division of waters of the department of natural resources containing the log of the materials and water encountered and related water pumping tests.*

*(b) The statements are confidential and can be used only by the division of waters of the department of natural resources for scientific study. The study's result may be public information.*

*(c) The commissioner of natural resources may exclude from the requirement to file statements those whose operations are of a type that would not yield significant scientific information. [105.51 s. 2]*

**Sec. 10. [103I.215] [MONITORING WELL REQUIREMENTS.]**

*Subdivision 1. [REGISTRATION REQUIRED.] A person may not construct a monitoring well unless the person is a well contractor or:*

*(1) is a professional engineer registered under sections 326.02 to 326.15 in the branches of civil or geological engineering, or a geologist certified by the American Institute of Professional Geologists; and*

*(2) registers with the commissioner as a monitoring well contractor on forms provided by the commissioner.*

*Subd. 2. [PERMIT REQUIRED.] (a) A person may not construct a monitoring well without a permit for the monitoring well issued by the commissioner.*

*(b) This permit preempts local permits and a county, home rule charter or statutory city may not require a permit for a monitoring well.*

*(c) The permit fee to be paid by the property owner where the well is located is:*

- (1) for construction of a monitoring well, \$50; and*
- (2) annually, for a monitoring well that is unsealed, \$25.*

*Subd. 3. [WRITTEN CONTRACT REQUIRED.] A person may not construct a monitoring well for compensation until the owner of the property on which the monitoring well is located and the person sign a written contract that describes the nature of the work to be performed, the estimated cost of the work, who is responsible for sealing the well, and provisions for sealing the well.*

*Subd. 4. [MAINTENANCE PERMIT.] If the monitoring well is in use 14 months after completion of construction, the owner of the property on which the monitoring well is located must obtain and annually renew a maintenance permit from the commissioner.*

*Subd. 5. [AT-GRADE MONITORING WELLS.] At-grade monitoring wells are authorized and may be installed for the purpose of evaluating groundwater conditions or for use as a leak detection device. The at-grade completion must comply with the water well construction code. The at-grade monitoring wells must be installed with an impermeable double locking cap and must be labeled monitoring wells.*

*Subd. 6. [CONSTRUCTION, MAINTENANCE, AND SEALING.] A monitoring well must be constructed, maintained, and sealed under the provisions of this chapter.*

#### **Sec. 11. [DEWATERING WELL REQUIREMENTS.]**

*Subdivision 1. [PERMIT REQUIRED.] (a) A person may not construct a dewatering well without a permit for the dewatering well from the commissioner.*

*(b) The permit fee to be paid by the property owner where the dewatering well is located is:*

*(1) for construction of the dewatering well, \$50 for each well except a dewatering project comprising more than ten wells shall be issued a single permit for the wells recorded on the permit for \$500. All the wells constructed for a project must be recorded on the permit; and*

*(2) annually for a dewatering well that is unsealed, \$25.*

*Subd. 2. [MAINTENANCE PERMIT.] If the dewatering well is in use 14 months after completion of construction, the owner of the property on which the dewatering well is located must obtain and renew a maintenance permit from the commissioner.*

*Subd. 3. [CONSTRUCTION, MAINTENANCE, AND SEALING.] A dewatering well must be constructed, maintained, and sealed in accordance with the provisions of this chapter.*

#### **Sec. 12. [103I.221] [PLASTIC CASINGS.]**

*Subdivision 1. [PLASTIC CASINGS ALLOWED.] The use of plastic casings in wells is expressly authorized.*

*Subd. 2. [RULES.] The commissioner may adopt rules relating to the installation of plastic well casing.*

Sec. 13. [1031.225] [LIMITED WELL WORK.]

*A person may not do the following work without a well contractor's license or a limited well contractor's license in possession:*

- (1) modify or repair well casings, well screens, or well diameters;*
- (2) construct unconventional wells such as drive points or dug wells;*
- (3) seal wells; or*
- (4) install well pumps or pumping equipment.*

Sec. 14. [1031.231] [COMMISSIONER MAY ORDER REPAIRS.]

*(a) The commissioner may order the owner of a well to take remedial measures, including making repairs, reconstructing or sealing the well according to the rules of the commissioner. The order may be issued if the commissioner determines, based on inspection of the water or the well site or an analysis of water from the well, that the well:*

- (1) is contaminated;*
- (2) has not been sealed according to the rules of the commissioner;*
- (3) is in a state of disrepair so that its continued existence endangers the quality of the groundwater;*
- (4) is a health or safety hazard; or*
- (5) is located in a place or constructed in a manner that its continued use or existence endangers the quality of the groundwater.*

*(b) The order of the commissioner may be enforced in an action to seek compliance brought by the commissioner in the district court of the county where the well is located. [156A.05 s. 4]*

Sec. 15. [1031.235] [SALE OF PROPERTY WHERE WELLS ARE LOCATED.]

*Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and the location of all known wells on the property, including the legal description, and the town, range, section, quartile, and county, and a map drawn from available information showing the location of the wells to the extent practicable. In the disclosure, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.*

*(b) At the time of closing of the sale, the disclosure information must be provided on a well certificate signed by the seller of the property.*

*(c) A county recorder or registrar of titles may not record a deed, instrument, or writing for which a certificate of value is required under section 272.115, or any deed or contract for deed from a governmental body exempt from the payment of state deed tax, unless the well certificate required by this subdivision is delivered to the county recorder or registrar of titles. The county recorder or registrar of titles shall transmit the well certificate to the commissioner of health within 15 days after receiving the well certificate.*

*(d) The commissioner shall prescribe the form for a well certificate and provide well certificate forms to county recorders and registrars of titles and other interested persons.*

*Subd. 2. [LIABILITY FOR FAILURE TO DISCLOSE.] Unless the buyer and seller agree to the contrary, in writing, prior to the closing of the sale, a seller who fails to disclose the existence of a well at the time of sale and knew of or had reason to know of the existence of a well is liable to the buyer for damages, costs, and reasonable attorney fees, relating to the sealing of the well, and the cleanup of groundwater contamination related to the fact that the well was not properly sealed at the time of sale. The action must be commenced by the buyer by six years after the date the buyer purchased the real property where the well is located.*

**Sec. 16. [103I.241] [ACTION FOR WELL CONTAMINATION.]**

*Subdivision 1. [OWNER'S CAUSE OF ACTION FOR WELL CONTAMINATION.] The owner of real property where a well is located has a cause of action for civil damages against a person whose action or inaction caused contamination of a well. The property owner may commence an action for a period of six years after the owner knows or becomes aware of the contamination of the well.*

*Subd. 2. [COURT AWARDS.] The court may award damages, reasonable attorney fees, and costs and disbursements.*

**WELL SEALING**

**Sec. 17. [103I.301] [WELL AND SEALING REQUIREMENTS.]**

*Subdivision 1. [WELLS.] (a) A well owner must have a well sealed if:*

- (1) the well is contaminated;*
- (2) the well was attempted to be sealed but was not sealed according to the provisions of this chapter; or*
- (3) the well is located, constructed, or maintained in a manner that its continued use or existence endangers groundwater quality or is a safety or health hazard.*

*(b) A well that is inoperable must be sealed unless the well owner has a maintenance permit.*

*(c) The well owner must have a well contractor or a limited well contractor seal a well.*

*Subd. 2. [MONITORING WELLS.] The owner of the property where a monitoring well is located must have the monitoring well sealed when the well is no longer in use. The owner must have a well contractor, a monitoring well contractor, or a limited well contractor seal the monitoring well.*

*Subd. 3. [DEWATERING WELLS.] (a) The owner of the property where a dewatering well is located must have the dewatering well sealed when the dewatering well is no longer in use.*

*(b) A water well contractor or a limited well contractor shall seal the dewatering well.*

*Subd. 4. [SEALING PROCEDURES.] Wells, monitoring wells, and dewatering wells must be sealed according to rules adopted by the commissioner.*

*Subd. 5. [SEALING OF SIX-INCH OR LARGER WELLS.] The owner of a well with a casing six inches or more in inside diameter may not seal the well, cover or otherwise render the well inaccessible for inspection,*

*or permanently remove the pumps from the well without notifying the commissioner of natural resources and complying with the commissioner's recommendations. The commissioner of natural resources may make recommendations and impose conditions as the commissioner determines to be advisable in the public interest. The commissioner of natural resources, or an authorized agent of the commissioner, must be granted access at reasonable times to inspect the site of a well that has been sealed, or for which notice of sealing has been given under this subdivision. [105.51 s. 3]*

**Sec. 18. [103I.311] [IDENTIFICATION AND SEALING 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 PURCHASED WITHOUT WELL IDENTIFICATION.] The state may not purchase or sell real property or an interest in real property without identifying the location of all wells whether in use, not in use, or sealed on the property and making provisions to have the wells not in use properly sealed at the cost of the seller as part of the contract. The sale may not be recorded with the county recorder or registrar of titles unless this subdivision is complied with.*

**Sec. 19. [103I.315] [ORDERS TO SEAL WELLS.]**

*Subdivision 1. [ORDER TO SEAL WELL.] The commissioner may order a property owner to seal a well if:*

*(1) the commissioner determines that without being sealed the well is an imminent threat to public health or public safety;*

*(2) the well is required to be sealed under section 17; or*

*(3) a well is a monitoring well or dewatering well and by 14 months after construction of the well, the owner has not obtained a maintenance permit, or after a maintenance permit has been issued the owner has not renewed a maintenance permit.*

*Subd. 2. [FAILURE OF OWNER TO SEAL WELL.] If the property owner fails to seal a well in the time provided in the commissioner's order, the commissioner may enter the property and have the well sealed. The property owner is liable for and must pay the costs of sealing the well.*

**Sec. 20. [103I.321] [SEALED WELL CERTIFICATES.]**

*Subdivision 1. [COUNTY ISSUANCE.] A county must issue a sealed well certificate prescribed by the commissioner of health for wells that are sealed in accordance with this chapter.*

*Subd. 2. [RULES.] The commissioner may adopt rules prescribing a procedure to determine that wells are properly sealed.*

**Sec. 21. [103I.325] [LANDOWNER SEALED WELL LIABILITY.]**

*Subdivision 1. [CERTIFICATE FILING REQUIRED.] A landowner must*

*file the sealed well certificate with the county recorder or registrar of titles where the sealed well is located.*

*Subd. 2. [LIABILITY AFTER SEALING.] The owner of a well that has had a sealed well certificate filed with the commissioner of health and the county recorder or registrar of titles where the well is located is not liable for contamination of groundwater from the well that occurs after the well has been sealed, if the owner has not disturbed or disrupted the sealed well.*

Sec. 22. [1031.331] [WELL SEALING COST-SHARE PROGRAM.]

*Subdivision 1. [COUNTY COST-SHARE SEALING PROGRAM.] (a) The board of water and soil resources may allocate funds to counties selected under subdivision 2 to be used for a well sealing program to share the cost of sealing wells according to the priority under subdivision 3.*

*(b) A county may contract for the administration of the well sealing program under this section with another local unit of government.*

*(c) The county must consult with local health boards, soil and water conservation districts, planning and zoning departments, and other appropriate organizations and local government units during program implementation.*

*(d) To encourage landowner participation in the program, the county shall:*

*(1) publish information in newspapers of general circulation, regarding availability of state funds to share the cost of sealing wells; and*

*(2) invite the public to report to the county on the existence of wells that are not sealed.*

*Subd. 2. [CRITERIA FOR SELECTING COUNTIES FOR WELL SEALING.] (a) The board of water and soil resources, in selecting counties for participation, shall consult with the commissioners of natural resources, the pollution control agency, and health, and the director of the Minnesota geological survey, and must consider appropriate criteria including the following:*

*(1) diversity of well construction;*

*(2) diversity of geologic conditions;*

*(3) current use of affected aquifers;*

*(4) diversity of land use; and*

*(5) aquifer susceptibility to contamination by unsealed wells.*

*(b) After July 1, 1991, only well sealings that are a part of, or responsive to, the priority actions identified in an approved comprehensive local water plan are eligible for assistance.*

*Subd. 3. [WELL SEALING PRIORITIES.] The board of water and soil resources and the commissioner of health shall establish priorities for sealing wells that are not an imminent threat to public health or public safety based on the following criteria:*

*(1) well construction, depth, and condition;*

*(2) importance of an aquifer as public and private water supply source;*

(3) *proximity to known or potential point or nonpoint contamination sources;*

(4) *current contamination of the well or aquifer;*

(5) *susceptibility of an aquifer to contamination by wells that are not sealed;*

(6) *limited availability of alternative sources of drinking water;*

(7) *anticipated changes in land or water use;*

(8) *unique conditions such as construction, rehabilitation, or demolition areas;*

(9) *potential use of the well as a monitoring well; and*

(10) *the danger to humans and animals of falling into the well.*

*Subd. 4. [LANDOWNER WELL SEALING CONTRACTS.] (a) A county, or contracted local unit of government, may contract with landowners to share the cost of sealing priority wells in accordance with criteria established by the board of water and soil resources.*

*(b) The county must use the funds allocated from the board of water and soil resources to pay up to 75 percent, but not more than \$2,000 of the cost of sealing priority wells.*

*(c) A well sealing contract must provide that:*

*(1) sealing is done in accordance with this chapter and rules of the commissioner of health relating to sealing of unused wells;*

*(2) payment is made to the landowner, after the well is sealed by a contractor licensed under this chapter;*

*(3) a sealed well certificate will be issued to the landowner after sealing of the well is completed; and*

*(4) the landowner must file a copy of the sealed well certificate and a copy of the well record with the commissioner of health.*

*Subd. 5. [REPORTS.] (a) The county shall make an annual report to the board of soil and water resources by February 15 of each year on the status of the well sealing grant program in the county including the number, location, and cost for each well sealed.*

*(b) The board of water and soil resources in cooperation with the commissioner of health shall make annual reports to the legislature on the status of expenditures and well sealings.*

*Subd. 6. [REPEALER.] This section is repealed effective June 30, 1995.*

**Sec. 23. [1031.335] [PERSONS UNABLE TO AFFORD WELL SEALING.]**

*Subdivision 1. [APPLICATION.] A property owner who desires to seal a well but cannot afford the costs of sealing the well may apply to the board of water and soil resources for the board to provide funds and seal the well.*

*Subd. 2. [CRITERIA FOR SEALING.] The board of water and soil resources shall adopt criteria by rule for accepting applications to seal wells for property owners applying under subdivision 1.*



*Subd. 3. [COLLECTION AND ENFORCEMENT OF COSTS.] If the applications are accepted, the costs of sealing become a governmental services lien as provided in section 24. The board of water and soil resources must enter a written agreement to collect the costs of sealing the well in a manner provided under section 24, subdivision 3. If the costs are not paid according to the agreement, the board of water and soil resources may enforce the lien in any manner provided under section 24, subdivisions 2 and 3.*

**Sec. 24. [1031.341] [COLLECTION AND ENFORCEMENT OF WELL SEALING COSTS.]**

*Subdivision 1. [LIEN FOR SEALING COSTS.] The commissioner and the board of water and soil resources have a governmental services lien under section 514.67 for the costs of sealing a well that the commissioner or board has contracted to be sealed under section 19, subdivision 2; 22; or 23. The lien attaches to the real property where the well is located. The lien is perfected by filing a copy of the lien with the county recorder or registrar of deeds where the well and property are located and serving or mailing by return receipt a copy of the lien to the property owner.*

*Subd. 2. [ENFORCEMENT OF LIEN.] The commissioner or the board of water and soil resources may enforce the lien in the manner provided for a judgment lien under chapter 550 or certify the amount to the county auditor, which must be assessed against the property and collected in the same manner as real estate taxes.*

*Subd. 3. [ASSESSMENT OF INSTALLMENTS.] (a) In lieu of certifying the entire amount to be collected, the commissioner or the board of water and soil resources may have the amount due assessed in seven or less equal annual installments plus interest due at the rate determined by the state court administrator for judgments under section 549.09.*

*(b) The interest due is an additional perfected lien on the property without further action by the commissioner or the board of water and soil resources.*

*(c) The interest and the installment due must be entered on the tax lists for the year and collected in the same manner as real estate taxes for that year by collecting one-half of the total of the installment and interest with and as part of the real estate taxes.*

*Subd. 4. [SATISFACTION OF LIEN.] The amount due and interest of a lien under this section may be paid at any time. When the amount of the lien including accrued interest is paid, the commissioner or board must execute a satisfaction of the lien and record the satisfaction with the county recorder or registrar of deeds where the lien was filed.*

*Subd. 5. [APPROPRIATION OF RECOVERED COSTS.] Costs of sealing wells recovered from property owners shall be deposited in the state treasury and credited to the account from which the amounts were originally appropriated. The amounts recovered by the board of water and soil resources are continuously appropriated to the board for sealing wells.*

**ELEVATOR SHAFT BORINGS**

**Sec. 25. [1031.401] [ELEVATOR SHAFT BORINGS.]**

*Subdivision 1. [PERMIT REQUIRED.] (a) A person may not construct an elevator shaft until a permit for the hole or excavation is issued by the*

commissioner.

*(b) The elevator shaft permit preempts local permits except local building permits, and counties and home rule charter or statutory cities may not require a permit for elevator shaft holes or excavations.*

*Subd. 2. [LICENSE REQUIRED.] A person may not construct an elevator shaft unless the person possesses a well contractor's license or an elevator shaft contractor's license issued by the commissioner.*

*Subd. 3. [SEALING.] A well contractor or elevator shaft contractor must seal a hole or excavation that is no longer used for an elevator shaft. The sealing must be done according to rules adopted by the commissioner.*

*Subd. 4. [REPORT.] Within 30 days after completion or sealing of a hole or excavation for an elevator shaft, the person doing the work must submit a report to the commissioner on forms provided by the commissioner.*

#### ENVIRONMENTAL BORE HOLES

Sec. 26. [1031.451] [ENVIRONMENTAL BORE HOLES.]

*An environmental bore hole must be constructed by a well contractor as prescribed by rule of the commissioner. An environmental bore hole must be sealed.*

#### LICENSING AND REGISTRATION

Sec. 27. [1031.501] [LICENSING AND REGULATION OF WELLS AND BORINGS.]

*(a) The commissioner shall regulate and license:*

- (1) drilling, constructing, and repair of wells;*
- (2) sealing of wells;*
- (3) installing of well pumps and pumping equipment;*
- (4) excavating, drilling, and sealing of holes for the installation of elevator shafts and hydraulic cylinders; and*
- (5) construction and sealing of environmental bore holes. [156A.03 s. 1]*

*(b) The commissioner shall examine and license well contractors, limited well contractors, and elevator shaft contractors, and examine and register monitoring well contractors.*

*(c) The commissioner shall license explorers engaged in exploratory boring and shall examine persons who supervise or oversee exploratory boring. [156A.03 s. 1]*

Sec. 28. [1031.505] [RECIPROCITY OF LICENSES.]

*Subdivision 1. [RECIPROCITY AUTHORIZED.] The commissioner may issue a license or register a person under this chapter, without giving an examination, if the person is licensed or registered in another state and:*

- (1) the requirements for licensing or registration under which the well contractor was licensed or registered do not conflict with this chapter;*
- (2) the requirements are of a standard not lower than that specified by the rules adopted under this chapter; and*
- (3) equal reciprocal privileges are granted to licensees of this state.*

*Subd. 2. [LICENSE FEE REQUIRED.] A well contractor must apply for the license and pay the fees under the provisions of this chapter to receive a license under this section.*

**Sec. 29. [103I.511] [EXEMPTIONS FROM LICENSING REQUIREMENTS.]**

*(a) Notwithstanding other provisions of this chapter requiring a license, a license is not required for:*

*(1) an individual who drills a well on land that is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode; or*

*(2) an individual who performs labor or services for a well contractor in connection with the drilling or repair of a well or sealing a well at the direction and at the personal supervision of a well contractor.*

*(b) An individual exempt from a license requirement under this subdivision must comply with the other provisions of this chapter.*

**Sec. 30. [103I.515] [LICENSES NOT TRANSFERABLE.]**

*A license or registration issued under this chapter is not transferable.*

**Sec. 31. [103I.521] [FEES DEPOSITED WITH STATE TREASURER.]**

*Fees collected for licenses or registration under this chapter shall be deposited in the state treasury.*

**Sec. 32. [103I.525] [WELL CONTRACTOR'S LICENSE.]**

*Subdivision 1. [APPLICATION.] (a) A person must file an application and application fee with the commissioner to apply for a well contractor's license.*

*(b) The application must state the applicant's qualifications for the license, the equipment the applicant will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner.*

*Subd. 2. [APPLICATION FEE.] The application fee for a well contractor's license is \$50. The commissioner may not act on an application until the application fee is paid.*

*Subd. 3. [EXAMINATION.] After the commissioner has approved the application, the applicant must take an examination given by the commissioner.*

*Subd. 4. [ISSUANCE OF LICENSE.] If an applicant passes the examination as determined by the commissioner, submits the bond under subdivision 5, and pays the license fee under subdivision 6, the commissioner shall issue a well contractor's license.*

*Subd. 5. [BOND.] (a) As a condition of being issued a well contractor's license, the applicant must submit a corporate surety bond for \$5,000 approved by the commissioner. The bond must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The bond is in lieu of other license bonds required by a political subdivision of the state.*

*(b) From proceeds of the bond, the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties.*

*Subd. 6. [LICENSE FEE.] The fee for a well contractor's license is \$250.*

*Subd. 7. [VALIDITY.] A well contractor's license is valid until the date prescribed in the license by the commissioner.*

*Subd. 8. [RENEWAL.] (a) A licensee must file an application and a renewal application fee to renew the license by the date stated in the license.*

*(b) The renewal application fee shall be set by the commissioner under section 16A.128.*

*(c) The renewal application must include information that the applicant has met continuing education requirements established by the commissioner by rule.*

*Subd. 9. [LATE RENEWAL APPLICATION.] If a licensee submits a renewal application after the required renewal date:*

*(1) the licensee must include an additional late fee set by the commissioner under section 16A.128; and*

*(2) the licensee may not conduct activities authorized by the well contractor's license until the renewal application, renewal application fee, and late fee are submitted.*

**Sec. 33. [1031.531] [LIMITED WELL CONTRACTOR'S LICENSE.]**

*Subdivision 1. [APPLICATION.] (a) A person must file an application and an application fee with the commissioner to apply for a limited well contractor's license.*

*(b) The application must state the applicant's qualifications for the license, the equipment the applicant will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner.*

*Subd. 2. [APPLICATION FEE.] The application fee for a well contractor's license is \$50. The commissioner may not act on an application until the application fee is paid.*

*Subd. 3. [EXAMINATION.] After the commissioner has approved the application, the applicant must take an examination given by the commissioner.*

*Subd. 4. [ISSUANCE OF LICENSE.] If an applicant passes the examination as determined by the commissioner, submits the bond under subdivision 5, and pays the license fee under subdivision 6, the commissioner shall issue a limited well contractor's license.*

*Subd. 5. [BOND.] (a) As a condition of being issued a limited well contractor's license, the applicant must submit a corporate surety bond for \$5,000 approved by the commissioner. The bond must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The bond is in lieu of other license bonds required by a political subdivision of the state.*

*(b) From proceeds of the bond, the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties.*

*Subd. 6. [LICENSE FEE.] The fee for a limited well contractor's license is \$250.*

*Subd. 7. [VALIDITY.] A limited well contractor's license is valid until*

*the date prescribed in the license by the commissioner.*

*Subd. 8. [RENEWAL.] (a) A person must file an application and a renewal application fee to renew the limited well contractor's license by the date stated in the license.*

*(b) The renewal application fee shall be set by the commissioner under section 16A.128.*

*(c) The renewal application must include information that the applicant has met continuing education requirements established by the commissioner by rule.*

*Subd. 9. [LATE RENEWAL APPLICATION.] If a licensee submits a renewal application after the required renewal date:*

*(1) the licensee must include an additional late fee set by the commissioner under section 16A.128; and*

*(2) the licensee may not conduct activities authorized by the limited well contractor's license until the renewal application, renewal application fee, and late fee are submitted.*

**Sec. 34. [103I.535] [ELEVATOR SHAFT CONTRACTOR'S LICENSE.]**

*Subdivision 1. [APPLICATION.] (a) An individual must file an application and application fee with the commissioner to apply for an elevator shaft contractor's license.*

*(b) The application must state the applicant's qualifications for the license, the equipment the applicant will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner.*

*Subd. 2. [APPLICATION FEE.] The application fee for an elevator shaft contractor's license is \$50. The commissioner may not act on an application until the application fee is paid.*

*Subd. 3. [EXAMINATION.] After the commissioner has approved the application, the applicant must take an examination given by the commissioner.*

*Subd. 4. [ISSUANCE OF LICENSE.] If an applicant passes the examination as determined by the commissioner, submits the bond under subdivision 5, and pays the license fee under subdivision 6, the commissioner shall issue an elevator shaft contractor's license to the applicant.*

*Subd. 5. [BOND.] (a) As a condition of being issued an elevator shaft contractor's license, the applicant must submit a corporate surety bond for \$5,000 approved by the commissioner. The bond must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state.*

*(b) From proceeds of the bond, the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties.*

*Subd. 6. [LICENSE FEE.] The fee for an elevator shaft contractor's license is \$250.*

*Subd. 7. [VALIDITY.] An elevator shaft contractor's license is valid until the date prescribed in the license by the commissioner.*

*Subd. 8. [RENEWAL.] (a) A person must file an application and a*

*renewal application fee to renew the license by the date stated in the license.*

*(b) The renewal application fee shall be set by the commissioner under section 16A.128.*

*(c) The renewal application must include information that the applicant has met continuing education requirements established by the commissioner by rule.*

*Subd. 9. [LATE RENEWAL APPLICATION.] If a licensee submits a renewal application after the required renewal date:*

*(1) the licensee must include an additional late fee set by the commissioner under section 16A.128; and*

*(2) the licensee may not conduct activities authorized by the elevator shaft contractor's license until the renewal application, renewal application fee, and late fee are submitted.*

**Sec. 35. [1031.541] [MONITORING WELL CONTRACTORS.]**

*Subdivision 1. [INITIAL REGISTRATION AFTER DECEMBER 31, 1990.] After December 31, 1990, a person seeking initial registration as a monitoring well contractor must meet examination and experience requirements adopted by the commissioner by rule.*

*Subd. 2. [VALIDITY.] A monitoring well contractor's registration is valid until the date prescribed in the registration by the commissioner.*

*Subd. 3. [BOND.] (a) As a condition of being issued a monitoring well contractor's registration, the applicant must submit a corporate surety bond for \$5,000 approved by the commissioner. The bond must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The bond is in lieu of other license bonds required by a political subdivision of the state.*

*(b) From proceeds of the bond, the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties.*

*Subd. 4. [RENEWAL.] (a) A person must file an application and a renewal application fee to renew the registration by the date stated in the registration.*

*(b) The renewal application fee shall be set by the commissioner under section 16A.128.*

*(c) The renewal application must include information that the applicant has met continuing education requirements established by the commissioner by rule.*

*Subd. 5. [LATE RENEWAL APPLICATION.] If a registered person submits a renewal application after the required renewal date:*

*(1) the registered person must include an additional late fee set by the commissioner under section 16A.128; and*

*(2) the registered person may not conduct activities authorized by the monitoring well contractor's registration until the renewal application, renewal application fee, and late fee are submitted.*

**Sec. 36. [1031.545] [REGISTRATION OF DRILLING MACHINES REQUIRED.]**

*Subdivision 1. [DRILLING MACHINE.] (a) A person may not use a drilling machine such as a cable tool, rotary tool, hollow rod tool, or auger for a drilling activity requiring a license or registration under this chapter unless the drilling machine is registered with the commissioner.*

*(b) A person must apply for the registration on forms prescribed by the commissioner and submit a \$100 registration fee.*

*(c) A registration is valid for one year.*

*Subd. 2. [PUMP HOIST.] (a) A person may not use a machine such as a pump hoist for an activity requiring a license or registration under this chapter to repair wells, seal wells, or install pumps unless the machine is registered with the commissioner.*

*(b) A person must apply for the registration on forms prescribed by the commissioner and submit a \$50 registration fee.*

*(c) A registration is valid for one year.*

### EXPLORATORY BORINGS

#### Sec. 37. [1031.601] [EXPLORATORY BORING PROCEDURES.]

*Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the following words have the meanings given them.*

*(b) "Data" includes samples and factual non-interpreted data obtained from exploratory borings and samples including analytical results.*

*(c) "Parcel" means a government section, fractional section, or government lot.*

*(d) "Samples" means at least a one-quarter portion of all samples from exploratory borings that are customarily collected by the explorer. [156A.071 s. 1]*

*Subd. 2. [LICENSE REQUIRED TO MAKE BORINGS.] (a) Except as provided in paragraph (b), a person may not make an exploratory boring without an exploratory borer's license.*

*(b) An explorer may designate a responsible individual to supervise and oversee the making of exploratory borings. Before an individual supervises or oversees an exploratory boring, the individual must take and pass an examination relating to construction, location, and sealing of exploratory borings. A professional engineer registered under sections 326.02 to 326.15 or a certified professional geologist is not required to take the examination required in this subdivision but must be licensed to make an exploratory boring. [156A.071 s. 2]*

*Subd. 3. [NOTIFICATION OF PROJECT CONSTRUCTION.] (a) By 30 days before making an exploratory boring, an explorer must register with the commissioner of natural resources and provide a copy of the registration to the commissioner of health. The registration must include:*

*(1) the identity of the firm, association, or company engaged in exploratory boring; and*

*(2) the identification of an agent, including the agent's business address.*

*(b) The commissioner of natural resources may require a bond, security, or other assurance from an explorer if the commissioner of natural resources has reasonable doubts about the explorer's financial ability to comply with*

*requirements of law relating to exploratory boring.*

*(c) An explorer shall annually register with the commissioner of natural resources while conducting exploratory boring. [156A.071 s. 3]*

*Subd. 4. [MAP OF BORINGS.] By ten days before beginning exploratory boring, an explorer must submit to the commissioners of health and natural resources a county road map having a scale of one-half inch equal to one mile, as prepared by the department of transportation, showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. [156A.071 s. 4]*

*Subd. 5. [ACCESS TO DRILL SITES.] The commissioners of health, natural resources, and the pollution control agency, the community health board as authorized under section 145A.04, and their officers and employees shall have access to exploratory boring sites to inspect the drill holes, drilling, and sealing of the borings, and to sample ambient air and drilling waters, and to measure the radioactivity of the waste drill cuttings at the drilling site at the time of observation. [156A.071 s. 5]*

*Subd. 6. [EMERGENCY NOTIFICATION.] The explorer must promptly notify the commissioners of health, natural resources, and the pollution control agency, and the authorized agent of the commissioner of health of an occurrence during exploratory boring that has a potential for significant adverse health or environmental effects. The explorer must take reasonable action to minimize the adverse effects. [156A.071 s. 6]*

*Subd. 7. [INSPECTION OF DATA BEFORE SUBMISSION.] The commissioner of health may, if necessary, inspect data before its submission under section 38. The data examined by the commissioner is not public data before it is submitted under section 38. [156A.071 s. 6]*

*Subd. 8. [PERMANENT AND TEMPORARY SEALING PROCEDURES.] Permanent and temporary sealing of exploratory borings must be temporarily or permanently sealed according to rules adopted by the commissioner. [156A.071 s. 7]*

*Subd. 9. [SEALING REPORT.] (a) By 30 days after permanent or temporary sealing of an exploratory boring, the explorer must submit a report to the commissioners of health and natural resources.*

*(b) The report must be on forms provided by the commissioner of health and include:*

*(1) the location of each drill hole at as large a scale as possible, which is normally prepared as part of the explorer's record;*

*(2) the type and thickness of overburden and rock encountered;*

*(3) identification of water bearing formations encountered;*

*(4) identification of hydrologic conditions encountered;*

*(5) method of sealing used;*

*(6) methods of construction and drilling used; and*

*(7) average scintillometer reading of waste drill cuttings before back-filling of the recirculation pits. [156A.071 s. 8]*

**Sec. 38. [103I.605] [SUBMISSION OF DATA FROM EXPLORATORY BORINGS.]**



*Subdivision 1. [REQUIREMENT.] Data obtained from exploratory borings must be submitted by the explorer to the commissioner of natural resources as provided in this section. [156A.071 s. 9]*

*Subd. 2. [MINERAL DEPOSIT EVALUATION DATA.] (a) In applying for a permit required for activities relating to mineral deposit evaluation, which means examining an area to determine the quality and quantity of minerals, excluding exploratory boring but including obtaining a bulk sample, by excavating, trenching, constructing shafts, ramps, tunnels, pits, and producing refuse and other associated activities, but does not include activities intended, by themselves, for commercial exploitation of the ore body, the explorer must submit to the commissioner of natural resources data relevant to the proposal under consideration. The explorer may identify portions of the data that, if released, would impair the competitive position of the explorer submitting the data. Data identified must be considered to be not public data.*

*(b) If requested to disclose the data, the commissioner shall mail notice of the request to the explorer and determine whether release of the data would impair the competitive position of the explorer submitting the data. If the commissioner determines that release of the data would impair the competitive position of the explorer submitting the data, the commissioner may not release the data to a person other than parties to the proceedings relating to the permit under consideration. Parties to the proceedings shall maintain the confidentiality of data.*

*(c) Data that are classified as not public may not be released by the commissioner until 30 days after mailed notice to the explorer of the commissioner's intention to release the data. The commissioner may not release data to a person engaged in exploration, mining, milling, or related industry pertaining to minerals. If the commissioner determines to release data, the explorer may demand a contested case hearing on the commissioner's determination or may withdraw the permit application and the data may not be released.*

*(d) Any person aggrieved by the decision of the commissioner may appeal the decision according to chapter 14. [156A.071 s. 9]*

*Subd. 3. [MINE DEVELOPMENT DATA.] In applying for a permit required for mine development, which means activities undertaken after mineral deposit evaluation for commercial exploitation of the ore body, the explorer must submit to the commissioner of natural resources data relevant to the proposal under consideration. The data is public data and persons submitting or releasing the data are not subject to civil or criminal liability for its use by others. [156A.071 s. 9]*

*Subd. 4. [EXPLORATION DATA.] By six months after termination by the explorer of a lease or other type of exploration agreement on a property the data from the exploration must be submitted to the commissioner of natural resources. The data is public data and persons submitting or releasing the data are not subject to civil or criminal liability for its use by others. [156A.071 s. 9]*

*Subd. 5. [DESIGNATION OF SAMPLES TO BE SUBMITTED.] The commissioner of natural resources shall designate the samples to be submitted, and specify where the sample is to be delivered. If an explorer requires certain samples in their entirety, the commissioner of natural*

*resources may waive the requirement for a one-fourth portion of the samples. Samples submitted are property of the state. [156A.071 s. 9]*

#### GROUNDWATER THERMAL EXCHANGE DEVICES

##### Sec. 39. [1031.621] [PERMITS FOR GROUNDWATER THERMAL EXCHANGE DEVICES.]

*Subdivision 1. [PERMIT REQUIRED.] (a) Notwithstanding any department or agency rule to the contrary, the commissioner shall issue, on request by the owner of the property and payment of a \$50 permit fee, permits for the reinjection of water by a properly constructed well into the same aquifer from which the water was drawn for the operation of a groundwater thermal exchange device.*

*(b) As a condition of the permit, an applicant must agree to allow inspection by the commissioner during regular working hours for department inspectors.*

*(c) Not more than 200 permits may be issued for small systems having maximum capacities of 20 gallons per minute or less. The small systems are subject to inspection twice a year.*

*(d) Not more than ten permits may be issued for larger systems having maximum capacities from 20 to 50 gallons per minute. The larger systems are subject to inspection four times a year.*

*(e) A person issued a permit must comply with this section for the permit to be valid.*

*Subd. 2. [WATER USE REQUIREMENTS APPLY.] Water use permit requirements and penalties under chapter 103F and related rules adopted and enforced by the commissioner of natural resources apply to groundwater thermal exchange permit recipients. A person who violates a provision of this section is subject to enforcement or penalties for the noncomplying activity that are available to the commissioner and the pollution control agency.*

*Subd. 3. [CONSTRUCTION REQUIREMENTS.] (a) Withdrawal and reinjection for the groundwater thermal exchange device must be accomplished by a closed system in which the waters drawn for thermal exchange do not have contact or commingle with water from other sources or with polluting material or substances. The closed system must be constructed to allow an opening for inspection by the commissioner.*

*(b) Wells that are part of a groundwater thermal exchange system may not serve another function, except water may be supplied to the domestic water system if:*

*(1) the supply is taken from the thermal exchange system ahead of the heat exchange unit; and*

*(2) the water discharges to a break tank through an air gap that is at least twice the effective diameter of the water inlet to the tank.*

*(c) A groundwater thermal exchange system may be used for domestic water heating only if the water heating device is an integral part of the heat exchange unit that is used for space heating and cooling.*

*Subd. 4. [RULES.] The commissioner may adopt rules to administer this section.*

## VERTICAL HEAT EXCHANGERS

## Sec. 40. [103I.641] [VERTICAL HEAT EXCHANGERS.]

*Subdivision 1. [REQUIREMENTS.] A person may not drill or construct an excavation used to install a vertical heat exchanger unless the person is a well contractor.*

*Subd. 2. [REGULATIONS FOR VERTICAL HEAT EXCHANGERS.] Vertical heat exchangers must be constructed, maintained, and sealed under the provisions of this chapter.*

*Subd. 3. [PERMIT REQUIRED.] (a) A vertical heat exchanger may not be installed without first obtaining a permit for the vertical heat exchanger from the commissioner. A well contractor must apply for the permit on forms provided by the commissioner and must pay a \$50 application fee.*

*(b) As a condition of the permit, the owner of the property where the vertical heat exchanger is to be installed must agree to allow inspection by the commissioner during regular working hours of department of health inspectors.*

## UNDERGROUND SPACE DEVELOPMENT

## Sec. 41. [103I.661] [MINED UNDERGROUND SPACE DEVELOPMENT.]

*Subdivision 1. [COMMISSIONER OF NATURAL RESOURCES REVIEW.] The commissioners of natural resources and health shall review all project plans that involve dewatering of underground formations for construction and operation of mined underground space to determine the effects of the proposal on the quality and quantity of underground waters in and adjacent to the areas where the mined underground space is to be developed. [469.141 s. 1]*

*Subd. 2. [PERMIT FOR WATER REMOVAL.] A mined underground space project involving or affecting the quality and quantity of groundwater may not be developed until a water use permit for the appropriation of waters under chapter 103G has been issued by the commissioner of natural resources. [469.141 s. 4]*

## UNDERGROUND STORAGE OF GAS OR LIQUID

## Sec. 42. [103I.681] [PERMIT FOR UNDERGROUND STORAGE OF GAS OR LIQUID.]

*Subdivision 1. [PERMIT REQUIRED.] (a) The state, a person, partnership, association, private or public corporation, county, municipality, or other political subdivision of the state may not displace groundwater in consolidated or unconsolidated formations by the underground storage of a gas or liquid under pressure without an underground storage permit from the commissioners of natural resources and health. [84.57]*

*(b) The state, a person, a public corporation, county, municipality, or other political subdivision of the state may not store a gas or liquid, except water, below the natural surface of the ground by using naturally occurring rock materials as a storage reservoir without an underground storage permit from the commissioners of health and natural resources. [84.621 s. 1]*

*Subd. 2. [APPLICATION.] (a) A person may apply for an underground storage permit by filing an application form with the commissioner of*

*natural resources accompanied by the application fee and maps, plans, and specifications describing the proposed displacement of groundwater and the underground storage of gases or liquids and other data required by the commissioner.*

*(b) The commissioner of natural resources shall prescribe the application form to apply for an underground storage permit. [84.58 s. 1]*

*(c) The commissioner of natural resources may require an applicant to demonstrate to the commissioner that the applicant has adequately provided a method to ensure payment of any damages resulting from the operation of a gas or liquid storage reservoir. [84.61]*

*Subd. 3. [HEARING REQUIRED.] (a) An underground storage permit allowing displacement of groundwater may not be issued by the commissioner of natural resources or health without holding a public hearing on the issuance of the permit. [84.58 s. 2]*

*(b) By 20 days after receiving a complete application, the commissioner of natural resources shall set a time and location for the hearing. [84.58 s. 3]*

*Subd. 4. [NOTICE OF HEARING.] The hearing notice must:*

*(1) state the date, place, and time of the hearing;*

*(2) show the location of groundwater and surface water and property affected by the proposed underground storage;*

*(3) be published by the applicant, or by the commissioner of natural resources if the proceeding is initiated by the commissioner of natural resources or health, once each week for two successive weeks in a legal newspaper that is published in the county where a part or all of the affected groundwater or surface waters are located; and*

*(4) be mailed by the commissioner of natural resources to the county auditor and the chief executive official of an affected municipality. [84.58 s. 4]*

*Subd. 5. [PROCEDURE AT HEARING.] (a) The hearing must be public and conducted by the commissioner of natural resources or a referee appointed by the commissioner.*

*(b) Affected persons must have an opportunity to be heard. Testimony must be taken under oath and the parties must have the right of cross-examination. The commissioner of natural resources shall provide a stenographer, at the expense of the applicant, to take testimony and a record of the testimony, and all proceedings at the hearing shall be taken and preserved.*

*(c) The commissioner of natural resources is not bound by judicial rules of evidence or of pleading and procedure. [84.58 s. 5]*

*Subd. 6. [SUBPOENAS.] The commissioner of natural resources or health may subpoena and compel the attendance of witnesses and the production of books and documents material to the purposes of the hearing. Disobedience of a subpoena, or refusal to be sworn, or refusal to answer as a witness, is punishable as contempt in the same manner as a contempt of the district court. The commissioner of natural resources must file a complaint of the disobedience with the district court of the county where the disobedience or refusal occurred. [84.58 s. 6]*

*Subd. 7. [REQUIRED FINDINGS.] An order granting a permit for the proposed storage may not be issued unless it contains and is based on a finding stating:*

*(1) the proposed storage will be confined to geological stratum or strata lying more than 500 feet below the surface of the soil;*

*(2) the proposed storage will not substantially impair or pollute groundwater or surface water; and*

*(3) the public convenience and necessity of a substantial portion of the gas-consuming public in the state will be served by the proposed project. [84.60]*

*Subd. 8. [ORDER CONDITIONS.] The order granting the permit must contain conditions and restrictions that will reasonably protect:*

*(1) private property or an interest not appropriated;*

*(2) the rights of the property owners and owners of an interest in property located within the boundaries of the proposed storage area, or persons claiming under the owners, to explore for, drill for, produce or develop for the recovery of oil or gas or minerals under the property, and to drill wells on the property to develop and produce water; provided that the exploration, drilling, producing, or developing complies with orders and rules of the commissioner of natural resources that protect underground storage strata or formations against pollution and against the escape of gas; and*

*(3) public resources of the state that may be adversely affected by the proposed project. [84.60]*

*Subd. 9. [PUBLICATION OF FINDINGS, CONCLUSIONS, ORDERS.]*

*(a) The commissioner of natural resources shall mail notice of any findings, conclusions, and orders made after the hearing to:*

*(1) the applicant;*

*(2) parties who entered an appearance at the hearing;*

*(3) the county auditor; and*

*(4) the chief executive officer of an affected municipality.*

*(b) The commissioner of natural resources must publish notice of findings, conclusions, and orders made after the hearing at least once each week for two successive weeks in a legal newspaper in the county where a part or all of the proposed project is located. The costs of the publication must be paid by the applicant. [84.58 s. 7]*

*Subd. 10. [APPEAL OF COMMISSIONER'S DETERMINATION.] An interested party may appeal the determination of the commissioner of natural resources or health to the court of appeals in accordance with the provisions of chapter 14. [84.59]*

*Subd. 11. [PERMIT FEE SCHEDULE.] (a) The commissioner of natural resources or health shall adopt a permit fee schedule under chapter 14. The schedule may provide minimum fees for various classes of permits, and additional fees, which may be imposed subsequent to the application, based on the cost of receiving, processing, analyzing, and issuing the permit, and the actual inspecting and monitoring of the activities authorized by the permit, including costs of consulting services.*

*(b) A fee may not be imposed on a state or federal governmental agency*

applying for a permit.

(c) *The fee schedule may provide for the refund of a fee, in whole or in part, under circumstances prescribed by the commissioner of natural resources. Permit fees received must be deposited in the state treasury and credited to the general fund. The amount of money necessary to pay the refunds is appropriated annually from the general fund to the commissioner of natural resources.* [84.59 s. 8]

Sec. 43. [1031.685] [ABANDONMENT OF UNDERGROUND STORAGE PROJECT.]

*An underground storage project for which an underground storage permit is granted may not be abandoned, or a natural or artificial opening extending from the underground storage area to the ground surface be filled, sealed, or otherwise closed to inspection, except after written approval by the commissioner of natural resources or health and in compliance with conditions that the commissioners may impose.* [84.611]

Sec. 44. [1031.691] [CERTIFICATE OF USE.]

*A person may not use a gas or liquid storage reservoir under an underground storage permit unless the right to use the property affected by the project has been acquired and a notice of the acquisition filed with the commissioner of natural resources or health. The commissioner of natural resources or health must issue a certificate approving use of the gas or liquid storage reservoir.* [84.62]

#### ENFORCEMENT

Sec. 45. [1031.701] [ADMINISTRATIVE REMEDIES.]

*Subdivision 1. [DENIAL OF LICENSE OR REGISTRATION RENEWAL.] (a) The commissioner may deny an application for renewal of a license or registration if the applicant has violated a provision of this chapter.*

*(b) Failure to submit a well report, well sealing report, or to report an excavation to construct an elevator shaft, or to obtain a well permit before construction is a violation of this chapter and the commissioner may refuse renewal.*

*Subd. 2. [SUSPENSION, REVOCATION OF LICENSE OR REGISTRATION.] (a) A license or registration issued under this chapter may be suspended or revoked for violation of provisions of this chapter.*

*(b) The commissioner may, after providing a person with reasonable notice and a hearing, suspend or revoke the license or registration of the person upon finding that the person has violated a provision of this chapter that applies to the person's license or registration.*

*Subd. 3. [PROCEDURE.] Proceedings by the commissioner under this section and review shall be according to chapter 14.*

*Subd. 4. [CORRECTIVE ORDERS.] The commissioner may issue corrective orders for persons to comply with the provisions of this chapter.*

Sec. 46. [1031.705] [ADMINISTRATIVE PENALTIES.]

*Subdivision 1. [PENALTY AUTHORIZED.] The commissioner may impose an administrative penalty under this section against a person who does not comply with an order of the commissioner.*

*Subd. 2. [SEALING WELLS AND ELEVATOR SHAFTS.] A well contractor or limited well contractor who seals a well, a monitoring well contractor who seals a monitoring well, or a well contractor or an elevator shaft contractor who seals a hole that was used for an elevator shaft under a corrective order of the commissioner in a manner that does not comply with the water well construction code, shall be assessed an administrative penalty of \$500.*

*Subd. 3. [CONTAMINATION RELATING TO WELL CONSTRUCTION.] A well contractor, limited well contractor, or monitoring well contractor working under a corrective order of the commissioner who fails to comply with the rules in the water well construction code relating to location of wells in relation to potential sources of contamination, grouting, materials, or construction techniques shall be assessed an administrative penalty of \$500.*

*Subd. 4. [WELL CONSTRUCTION AND MACHINERY.] A well contractor, limited well contractor, or monitoring well contractor working under a corrective order shall be assessed an administrative penalty of \$250 if the contractor fails as required in the order:*

*(1) to have a plan review approved before a well is constructed; construct a well without if a plan review is required;*

*(2) to have a permit before a well is constructed;*

*(3) to register a drilling rig or pump rig or to display the state decal and the registration number on the machine; or*

*(4) to comply with the rules in the water well construction code relating to disinfection of wells and submission of well construction or well sealing logs and water samples.*

*Subd. 5. [FALSE INFORMATION.] A person under a corrective order shall be assessed an administration penalty of \$250 if the person:*

*(1) fails to disclose or falsifies information about the status and location of wells on property before signing an agreement of sale or transfer of the property; or*

*(2) fails to disclose or falsifies information on a well certificate.*

*Subd. 6. [FAILURE TO SEAL WELL OR HAVE CONSTRUCTION PERMIT.] A person under a corrective order shall be assessed an administrative penalty of \$250 if the person:*

*(1) employs a well contractor on the person's property and fails to obtain a permit for construction of the well; or*

*(2) fails to have a well sealed in accordance with the rules.*

**Sec. 47. [1031.711] [IMPOUNDING OF EQUIPMENT.]**

*Subdivision 1. [IMPOUNDMENT.] If the commissioner issues an order finding that a person is constructing, repairing, or sealing wells or installing pumps or pumping equipment or excavating holes for installing elevator shafts or hydraulic cylinders without a license or registration as required under this chapter, a sheriff on receipt of the order must seize and impound equipment of the person.*

*Subd. 2. [RELEASE.] The equipment must remain in the custody of the sheriff until the equipment is released under the order of a court or until*

*the commissioner orders the sheriff to release the equipment.*

Sec. 48. [1031.715] [CRIMINAL PENALTIES.]

*Subdivision 1. [MISDEMEANORS.] A person who violates a provision of this chapter is guilty of a misdemeanor.*

*Subd. 2. [GROSS MISDEMEANORS.] A person is guilty of a gross misdemeanor who:*

*(1) willfully violates a provision of this chapter or order of the commissioner;*

*(2) engages in the business of drilling or making wells, sealing wells, installing pumps or pumping equipment, or constructing elevator shafts without a license required by this chapter; or*

*(3) engages in the business of exploratory boring without an exploratory borer's license under this chapter. [156A.08 s. 1]*

*Subd. 3. [PROSECUTION AND VENUE.] A violation of this chapter shall be prosecuted by the county attorney in the county where the violation occurred or is occurring. The trial shall be held in that county. [156A.08 s. 1]*

Sec. 49. [REPEALER.]

*Minnesota Statutes 1988, sections 84.57; 84.58; 84.59; 84.60; 84.61; 84.611; 84.62; 84.621; 105.51, subdivision 3; 156A.01; 156A.02; 156A.03; 156A.031; 156A.04; 156A.05; 156A.06; 156A.07; 156A.071; 156A.075; 156A.08; 156A.10; and 156A.11 are repealed.*

Sec. 50. [EFFECTIVE DATE.]

*Section 15, subdivision 1, relating to disclosing wells to buyers and transferees is effective July 1, 1990.*

## ARTICLE 4

### SAFE DRINKING WATER SUPPLY FUNDING

Section 1. Minnesota Statutes 1988, section 144.381, is amended to read:

144.381 [CITATION.]

Sections 144.381 to 144.387 may be cited as the "safe drinking water act of 1977."

Sec. 2. Minnesota Statutes 1988, section 144.382, subdivision 1, is amended to read:

*Subdivision 1. [SCOPE.] For the purposes of sections 144.381 to ~~144.387~~ section 4, the following terms have the meanings given.*

Sec. 3. Minnesota Statutes 1988, section 144.382, is amended by adding a subdivision to read:

*Subd. 4a. [SERVICE CONNECTION.] "Service connection" means the pipe leading from the distribution main to the plumbing system of a building.*

Sec. 4. [144.3835] [SAFE DRINKING WATER ACCOUNT.]

*Subdivision 1. [ESTABLISHMENT.] The safe drinking water account is established as a special revenue account in the state treasury.*



*Subd. 2. [APPROPRIATION AND USE.] Money in the safe drinking water account is continuously appropriated to the commissioner. The money must be used to support the safe drinking water program, including administration, inspections, training, laboratory analyses, and enforcement. The money does not cancel, but is available until expended.*

*Subd. 3. [SAFE DRINKING WATER FEE.] (a) A safe drinking water fee is imposed on each supplier in the state at a rate of 1.7 cents per 1,000 gallons of water discharged through the public water supply. The supplier shall collect the fee in a manner determined by the supplier from the owners of service connections.*

*(b) At the end of each calendar quarter, the supplier shall pay the fee imposed on the supplier to the commissioner.*

*(c) Money collected from the safe drinking water fee must be deposited in the state treasury and credited to the safe drinking water account.*

## ARTICLE 5

### WATER CONSERVATION

Section 1. Minnesota Statutes 1988, section 105.41, subdivision 1, is amended to read:

*Subdivision 1. [COMMISSIONER'S PERMISSION.] (a) It is unlawful for the state, any person, partnership, or association, private or public corporation, county, municipality, or other political subdivision of the state to appropriate or use any waters of the state, surface or underground, without the written permit of the commissioner. This section does not apply to the use of water for domestic purposes serving less than 25 persons. The commissioner shall set up a statewide training program to provide training in the conduct of pumping tests and data acquisition programs.*

*(b) A permit may not be issued under this section unless the permit is consistent with state, regional, and local water and related land resources management plans.*

*(c) The commissioner may not modify or restrict the amount of appropriation from a groundwater source authorized in a permit issued for agricultural irrigation under section 105.44, subdivision 8, between May 1 and October 1 of any year, unless the commissioner determines the authorized amount of appropriation endangers a domestic water supply.*

Sec. 2. Minnesota Statutes 1988, section 105.41, subdivision 1a, is amended to read:

*Subd. 1a. [WATER ALLOCATION RULES, PRIORITIES.] (a) The commissioner shall submit to the legislature by January 1, 1975, for its approval, proposed adopt rules governing the for allocation of waters among potential water users. These rules must be Based on the following priorities for the consumptive appropriation and use of water:*

*(1) first priority: domestic water supply; excluding industrial and commercial uses of municipal water supply; and use for power production that meets the contingency planning provisions of section 105.417, subdivision 5;*

*(2) second priority: any a use of water that involves consumption of less than 10,000 gallons of water a per day. In this section "consumption" means water withdrawn from a supply that is lost for immediate further*

use in the area;

(3) third priority: agricultural irrigation and processing of agricultural products, involving consumption in excess of 10,000 gallons a per day; and processing of agricultural products;

(4) fourth priority: power production; ~~involving consumption in excess of 10,000 gallons a day;~~ in excess of the use provided for in the contingency plan developed under section 105.417, subdivision 5; and

(5) fifth priority: ~~other~~ uses, other than agricultural irrigation, processing of agricultural products, and power production, involving consumption in excess of 10,000 gallons a per day and nonessential uses of public water supplies as defined in section 105.518, subdivision 1.

(b) For the purposes of this section, "consumption" shall mean water withdrawn from a supply which is lost for immediate further use in the area.

(c) Appropriation and use of surface water from streams during periods of flood flows and high water levels must be encouraged subject to consideration of the purposes for use, quantities to be used, and the number of persons appropriating water.

(d) Appropriation and use of surface water from lakes of less than 500 acres in surface area must be discouraged.

(e) The treatment and reuse of water from nonconsumptive uses shall be encouraged.

(f) Diversions of water from the state for use in other states or regions of the United States or Canada must be discouraged.

~~No permit may be issued under this section unless it is consistent with state, regional, and local water and related land resources management plans; if regional and local plans are consistent with statewide plans. The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a permit issued under section 105.44, subdivision 8, between May 1 and October 1 of any year, unless the commissioner determines the authorized amount of appropriation endangers any domestic water supply.~~

Sec. 3. Minnesota Statutes 1988, section 105.41, subdivision 1b, is amended to read:

Subd. 1b. [USE LESS THAN MINIMUM.] ~~No~~ Except for local permits under section 473.877, subdivision 1, a permit is not required for the appropriation and use of less than a minimum amount to be established by the commissioner by rule. Permits for more than the minimum amount but less than an intermediate amount to be specified by the commissioner by rule must be processed and approved at the municipal, county, or regional level based on rules to be established by the commissioner by January 1, 1977. The rules must include provisions for reporting to the commissioner the amounts of water appropriated under local permits.

Sec. 4. Minnesota Statutes 1988, section 105.41, is amended by adding a subdivision to read:

Subd. 1c. [CERTAIN COOLING SYSTEM PERMITS PROHIBITED.] (a) The commissioner may not issue a water use permit from a groundwater source for a once-through cooling system constructed after the effective

*date of this act.*

*(b) After January 1, 1994, the commissioner may not amend or renew a water use permit from a groundwater source for once-through cooling systems.*

*(c) For purposes of this subdivision, a once-through cooling system means a cooling or heating system for human comfort that draws a continuous stream of water from a groundwater source to remove or add heat for cooling, heating, or refrigeration.*

Sec. 5. Minnesota Statutes 1988, section 105.41, subdivision 5, is amended to read:

Subd. 5. [RECORDS REQUIRED.] Records of the amount of water appropriated or used must be kept for each installation. The readings and the total amount of water appropriated must be reported annually to the commissioner of natural resources on or before February 15 of the following year upon forms to be supplied by the commissioner.

The records must be submitted with an annual water appropriation processing fee in the amount established in accordance with the following schedule of fees for each water appropriation permit in force at any time during the year: ~~(1) irrigation permits, \$15 for the first permitted 160 acres or part of 160 acres, and \$25 for each additional permitted 160 acres or part of 160 acres; (2) for nonirrigation permits, \$5 for each ten million gallons or portion of that amount permitted each year. However, the fee must not exceed a total of \$500 per permit.~~

Subd. 5a. [WATER USE PROCESSING FEE.] *(a) A water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each consumptive water use permit in force at any time during the year:*

- (1) 0.05 cent per 1,000 gallons for the first 50 million gallons per year;*
- (2) 0.1 cents per 1,000 gallons for the amounts greater than 50 million gallons but less than 100 million gallons per year;*
- (3) 0.15 cents per 1,000 gallons for the amounts of 100 million gallons per year or more but less than 150 million gallons per year;*
- (4) 0.20 cents per 1,000 gallons for the amounts of 150 million gallons per year or more but less than 200 million gallons per year;*
- (5) 0.25 cents per 1,000 gallons for the amounts of 200 million gallons per year or more but less than 250 million gallons per year;*
- (6) 0.30 cents per 1,000 gallons for the amounts of 250 million gallons per year or more but less than 300 million gallons per year;*
- (7) 0.35 cents per 1,000 gallons for the amounts of 300 million gallons per year or more but less than 350 million gallons per year;*
- (8) 0.40 cents per 1,000 gallons for the amounts of 350 million gallons per year or more but less than 400 million gallons per year; and*
- (9) 0.45 cents per 1,000 gallons for the amounts of 400 million gallons per year or more.*

*(b) A nonconsumptive water use processing fee for each water use permit in force at any time during the year may not exceed \$1,000 for each permit.*

(c) For a consumptive use for a municipal public water supply the processing fee is 0.1 cents per 1,000 gallons.

(d) The fee is payable ~~regardless of~~ based on the amount of water ~~appropriated~~ permitted during the year.

(e) Failure to pay the fee is sufficient cause for revoking a permit. ~~No fee may be imposed on any state agency, as defined in section 16B.01, or federal governmental agency holding a water appropriation permit.~~

(f) A fee may not be imposed for nonconsumptive uses by a state agency defined under section 16B.01 or a federal agency with a water use permit.

Sec. 6. Minnesota Statutes 1988, section 105.418, is amended to read:  
105.418 [CONSERVATION OF PUBLIC WATER SUPPLIES.]

*Subdivision 1. [WATER SHORTAGE EMERGENCY RULES.]* (a) During periods of critical water deficiency as determined by the governor and declared by *executive* order of the governor, public water supply authorities appropriating water shall adopt and enforce restrictions consistent with rules adopted by the commissioner of natural resources within their areas of jurisdiction. The restrictions must limit lawn sprinkling, car washing, golf course and park irrigation, and other nonessential uses and have appropriate penalties for failure to comply with the restrictions.

(b) The commissioner may adopt emergency rules ~~according to sections 14.29 to 14.36~~ relating to matters covered by this section ~~during the year 1977~~.

(c) Disregard of critical water deficiency orders, even though total appropriation remains less than that permitted, is *adequate* grounds for immediate modification of ~~any~~ a public water supply authority's ~~appropriator's~~ water use permit.

Sec. 7. Minnesota Statutes 1988, section 473.877, subdivision 1, is amended to read:

*Subdivision 1. [AUTHORITY.]* Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water in a watershed delineated pursuant to subdivision 2, as required by sections 473.875 to 473.883, may provide, in addition to other provisions authorized by section 471.59, for a joint board having:

(a) the authority to prepare, adopt, and implement a plan for the watershed meeting the requirements of section 473.878;

(b) the authority to review and approve local water management plans as provided in section 473.879;

(c) the authority of a watershed district under chapter 112 to regulate the use and development of land in the watershed when one or more of the following conditions exists: (1) the local government unit exercising planning and zoning authority over the land under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 473.879 or has not adopted the implementation program described in the plan; (2) an application to the local government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program of the local unit; (3) the local government unit has authorized the

organization to require permits for the use and development of land;

(d) the authority of a watershed district under section 112.65 to accept the transfer of drainage systems in the watershed, to repair, improve, and maintain the transferred drainage systems, and to construct all new drainage systems and improvements of existing drainage systems in the watershed, provided that projects may be carried out under the powers granted in chapter 112 or 473 and sections 106A.005 to 106A.811 and that proceedings of the board with respect to the systems must be in conformance with the watershed plan adopted under section 473.878; ~~and~~

(e) *the authority to require water appropriation permits for nonessential uses, as prescribed in section 105.418, which are below the minimum amount established under section 105.41, subdivision 1b, from protected watercourses that have a drainage area less than 25 square miles; and*

(f) other powers necessary to exercise the authority under clauses (a) to (c), including the power to enter into contracts for the performance of functions with governmental units or persons.

## ARTICLE 6

### PESTICIDE AMENDMENTS

Section 1. Minnesota Statutes 1988, section 18B.01, subdivision 5, is amended to read:

Subd. 5. [COMMERCIAL APPLICATOR.] "Commercial applicator" means a person who has *or is required to have* a commercial applicator license.

Sec. 2. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 4a. [COLLECTION SITE.] "*Collection site*" means a permanent or temporary designated location with scheduled hours for authorized collection where pesticide end users may bring their waste pesticides.

Sec. 3. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 6a. [CONTAINER.] "*Container*" means a portable device in which a material is stored, transported, treated, disposed of, or otherwise handled.

Sec. 4. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 6b. [CORRECTIVE ACTION.] "*Corrective action*" means an action taken to minimize, eliminate, or clean up an incident.

Sec. 5. Minnesota Statutes 1988, section 18B.01, subdivision 12, is amended to read:

Subd. 12. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, ~~portable container rupture,~~ leak, spill, discharge, escape, disposal, or other event that releases or immediately threatens to release a pesticide accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. "Incident" does not include the lawful use or intentional release of a pesticide in accordance with its approved label or labeling, or a discharge or other release authorized by law or in an amount less than a reportable quantity under United States Code, title 42, section 9603.

Sec. 6. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 14a. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, another special purpose district, and local or regional board.*

Sec. 7. Minnesota Statutes 1988, section 18B.01, subdivision 15, is amended to read:

*Subd. 15. [NONCOMMERCIAL APPLICATOR.] "Noncommercial applicator" means a person ~~with~~ who has or is required to have a noncommercial applicator license.*

Sec. 8. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 15a. [OWNER OF REAL PROPERTY.] "Owner of real property" means a person who is in possession of, has the right of control, or controls the use of real property, including a person who has legal title to property and a person who has the right to use or contract use of the property under a lease, contract for deed, or license.*

Sec. 9. Minnesota Statutes 1988, section 18B.01, subdivision 19, is amended to read:

*Subd. 19. [PESTICIDE DEALER.] "Pesticide dealer" means a person ~~with~~ who has or is required to have a pesticide dealer license.*

Sec. 10. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 19a. [PESTICIDE END USER.] "Pesticide end user" means a farmer or other person who uses, intends to use, or owns a pesticide. Pesticide end user does not include a dealer, manufacturer, formulator, or packager.*

Sec. 11. Minnesota Statutes 1988, section 18B.01, subdivision 21, is amended to read:

*Subd. 21. [PRIVATE APPLICATOR.] "Private applicator" means a person certified or required to be certified to use ~~or supervise use of~~ restricted use pesticides.*

Sec. 12. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 24a. [RETAIL PESTICIDE HANDLER.] "Retail pesticide handler" means a person, other than a pesticide dealer, who sells a commercial pesticide in a packaged container produced or guaranteed by another person.*

Sec. 13. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 24b. [RETURNABLE CONTAINER.] "Returnable container" means a container for distributing pesticides that enables the unused pesticide product to be returned to the distributor, manufacturer, or packager, and includes bulk, mini-bulk, or dedicated containers designed to protect the integrity of the pesticide and prevent contamination through the introduction of unauthorized materials.*

Sec. 14. Minnesota Statutes 1988, section 18B.01, subdivision 26, is amended to read:

Subd. 26. [SAFEGUARD.] "Safeguard" means a facility, *equipment*, device, or system, or a combination of these, designed to prevent ~~the escape or movement of a pesticide from the place it is stored or kept under conditions that might otherwise result in contamination of the environment~~ *an incident*.

Sec. 15. Minnesota Statutes 1988, section 18B.01, subdivision 29, is amended to read:

Subd. 29. [STRUCTURAL PEST CONTROL.] "Structural pest control" means ~~the control of any structural pest through the use of a device, a procedure, or application of pesticides in or around a building or other structures, including trucks, boxcars, ships, aircraft, docks, and fumigation vaults, and the business activity related to use of a device, a procedure, or application of a pesticide~~ *a person who is required to have a structural pest control license*.

Sec. 16. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 31a. [WASTE PESTICIDE.] "Waste pesticide" means a pesticide that the pesticide end user considers a waste. A waste pesticide can be a canceled pesticide, an unusable pesticide, or a usable pesticide.*

Sec. 17. Minnesota Statutes 1988, section 18B.03, is amended by adding a subdivision to read:

*Subd. 4. [EMPLOYEES.] The commissioner may employ necessary agents and assistants to administer and enforce this chapter, none of whom, except those who are employed on a full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.*

Sec. 18. Minnesota Statutes 1988, section 18B.04, is amended to read:

18B.04 [PESTICIDE IMPACT ON ~~WATER QUALITY ENVIRONMENT~~.]

The commissioner shall:

(1) determine the impact of pesticides on *the environment, including the impacts on surface water and ~~ground water~~ groundwater* in this state;

(2) develop best management practices involving pesticide distribution, storage, handling, use, and disposal; and

(3) cooperate with and assist other state agencies and local governments to protect public health and the environment from harmful exposure to pesticides.

Sec. 19. [18B.065] [WASTE PESTICIDE COLLECTION PROGRAM.]

*Subdivision 1. [COLLECTION AND DISPOSAL.] The commissioner of agriculture shall establish and operate a program to collect waste pesticides. The program shall be made available to pesticide end users whose waste generating activity occurs in this state.*

*Subd. 2. [IMPLEMENTATION.] (a) The commissioner may obtain a*

*United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected.*

*(b) The commissioner may limit the type and quantity of waste pesticides accepted for collection and may assess pesticide end users for portions of the costs incurred.*

*Subd. 3. [INFORMATION AND EDUCATION.] The commissioner shall provide informational and educational materials regarding waste pesticides and the proper management of waste pesticides to the public.*

*Subd. 4. [CONSULTATION WITH POLLUTION CONTROL AGENCY.] The commissioner shall develop the program in this section in consultation and cooperation with the pollution control agency.*

*Subd. 5. [WASTE PESTICIDE COLLECTION ACCOUNT.] A waste pesticide account is established in the state treasury. Assessments collected under subdivision 2 shall be deposited in the state treasury and credited to the waste pesticide account. Money in the account is appropriated to the commissioner to pay for costs incurred to implement the waste pesticide collection program.*

*Subd. 6. [RULES.] The commissioner may adopt rules to administer this section.*

*Subd. 7. [COOPERATIVE AGREEMENTS.] The commissioner may enter into cooperative agreements with state agencies and local units of government for administration of the waste pesticide collection program.*

Sec. 20. Minnesota Statutes 1988, section 18B.07, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED PESTICIDE USE.] (a) A person may not use, store, handle, *distribute*, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) *that is inconsistent with a label or labeling as defined by United States Code, title 7, section 136 (ee);*

(2) *that endangers humans, damages agricultural products, food, livestock, fish, or wildlife; ~~or beneficial insects;~~ or*

(3) *that will cause unreasonable adverse effects on the environment.*

(b) A person may not direct a pesticide ~~on~~ *onto* property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.

(c) A person may not directly apply a pesticide on a human by overspray or target site spray.

(d) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.

Sec. 21. Minnesota Statutes 1988, section 18B.07, subdivision 3, is amended to read:

Subd. 3. [POSTING.] (a) If the pesticide labels prescribe specific hourly or daily intervals for human reentry following application, the person applying the pesticide must post ~~fields~~ *sites*, buildings, or areas where the pesticide has been applied. The posting must be done with placards in accordance with label requirements and rules adopted under this section.



(b) ~~Fields Sites~~ being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment. *The posting must be done in accordance with labeling and rules adopted under this chapter.*

Sec. 22. Minnesota Statutes 1988, section 18B.07, subdivision 4, is amended to read:

Subd. 4. [PESTICIDE SAFEGUARDS AT APPLICATION SITES.] A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent ~~the escape or movement of the pesticides from the site an~~ *incident.*

Sec. 23. Minnesota Statutes 1988, section 18B.07, subdivision 6, is amended to read:

Subd. 6. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] (a) A person may not fill pesticide application equipment directly from public *or other* waters of the state, as defined in section 105.37, subdivision 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

Sec. 24. Minnesota Statutes 1988, section 18B.08, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not apply pesticides through an irrigation system without a chemigation permit from the commissioner. ~~Only one~~ *A chemigation permit is required for two one* or more wells *or other sources of irrigation water* that are protected from contamination by ~~the same~~ *devices as required by rule.* The commissioner may allow irrigation to be used to apply pesticides on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

Sec. 25. Minnesota Statutes 1988, section 18B.08, subdivision 3, is amended to read:

Subd. 3. [EQUIPMENT.] A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of pesticides or pesticide-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump *or water source* discharge and the point of pesticide injection; and

(2) the point of pesticide injection and the pesticide supply.

Sec. 26. Minnesota Statutes 1988, section 18B.08, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50 ~~for each well that is to be used in applying the pesticides by irrigation.~~ *A person*

who holds a fertilizer chemigation permit under article 7, section 11, is exempt from the fee in this subdivision.

Sec. 27. [18B.115] [USE OF CHLORDANE PROHIBITED.]

*The state, a state agency, a political subdivision of the state, a person, or other legal entity may not sell, use, or apply the pesticide chlordane or its derivative heptachlor within the state.*

Sec. 28. [18B.135] [SALE OF PESTICIDES IN RETURNABLE CONTAINERS AND MANAGEMENT OF UNUSED PORTIONS.]

*Subdivision 1. [ACCEPTANCE OF RETURNABLE CONTAINERS.] A person distributing, offering for sale, or selling a pesticide must accept empty pesticide containers and the unused portion of pesticide that remains in the original container from a pesticide end user if the pesticide was purchased after the effective date of this section. This subdivision does not prohibit the use of refillable and reusable pesticide containers.*

*Subd. 2. [RULES.] The commissioner may adopt rules to implement this section, including procedures and standards prescribing the exemption of certain pesticide products and pesticide containers.*

PESTICIDE RELEASE INCIDENTS

Sec. 29. [18B.151] [REPORT OF INCIDENTS REQUIRED.]

*Subdivision 1. [REPORT TO COMMISSIONER.] A responsible party or an owner of real property must, on discovering an incident has occurred, immediately report the incident to the commissioner.*

*Subd. 2. [WRITTEN REPORT.] The responsible party must submit a written report of the incident to the commissioner in the form and by the time prescribed by the commissioner.*

Sec. 30. [18B.153] [CORRECTIVE ACTION ORDERS.]

*Subdivision 1. [CORRECTIVE ACTION ORDERS.] (a) After determining an incident has occurred, the commissioner may order the responsible party to take reasonable and necessary corrective actions.*

*(b) The commissioner shall notify the owner of real property where corrective action is ordered that access to the property will be required for the responsible party or the commissioner to take corrective action.*

*(c) A political subdivision may not request or order a person to take an action that conflicts with the corrective action ordered by the commissioner.*

*(d) The attorney general on request of the commissioner may bring an action to compel corrective action.*

*Subd. 2. [COMMISSIONER'S CORRECTIVE ACTIONS.] The commissioner may take corrective action if:*

*(1) a responsible party cannot be identified; or*

*(2) an identified responsible party cannot or will not comply with a corrective action order issued under subdivision 1.*

*Subd. 3. [EMERGENCY CORRECTIVE ACTION.] (a) To assure an adequate response to an incident, the commissioner may take corrective action without following the procedures of subdivision 1 if the commissioner determines that the incident constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to*

*the public health and welfare or the environment.*

*(b) Before taking an action under this subdivision, the commissioner must make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible party to take a corrective action and notify the owner of real property where the corrective action is to be taken.*

*Subd. 4. [AGRICULTURE IS LEAD AGENCY.] The department of agriculture is the lead state agency in taking corrective action for incidents.*

**Sec. 31. [18B.155] [LIABILITY FOR COSTS.]**

*Subdivision 1. [CORRECTIVE ACTION COSTS.] (a) A responsible party is liable for the costs including administrative costs for corrective action or emergency corrective action under section 30. The commissioner may issue an order for recovery of the costs.*

*(b) A responsible party is liable for the costs of any destruction to wildlife. Payments of the costs shall be deposited in the game and fish fund of the state treasury.*

*Subd. 2. [OWNER OF REAL PROPERTY.] An owner of real property is not a responsible party for an incident on the owner's property unless the owner:*

*(1) was engaged in manufacturing, formulating, transporting, storing, handling, applying, distributing, or disposing of a pesticide on the property;*

*(2) knowingly permitted a person to make regular use of the property for disposal of pesticides; or*

*(3) violated this chapter in a way that contributed to the incident.*

*Subd. 3. [LIABILITY FOR APPLICATION ACCORDING TO THE LABEL.] (a) Notwithstanding other provisions relating to liability for pesticide use, a pesticide end user or landowner is not liable for the cost of active cleanup, or damages associated with or resulting from pesticides in groundwater if the person has applied or has had others apply pesticides in compliance with the label of the pesticide and other state law and orders of the commissioner.*

*(b) It is a complete defense for liability if the person has complied with the provisions in paragraph (a).*

*Subd. 4. [AVOIDANCE OF LIABILITY.] (a) A responsible party may not avoid liability by means of a conveyance of a right, title, or interest in real property; or by an indemnification, hold harmless agreement, or similar agreement.*

*(b) This subdivision does not:*

*(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;*

*(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or*

*(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.*

*Subd. 5. [DEFENSE.] As a defense to a penalty or liability for damages, a person may prove that the violation was caused solely by an act of God,*

*an act of war, or an act or failure to act that constitutes sabotage or vandalism, or a combination of these defenses.*

**Sec. 32. [18B.157] [APPORTIONMENT OF LIABILITY AND CONTRIBUTION.]**

*Subdivision 1. [RIGHT OF APPORTIONMENT.] (a) A responsible party held liable under this chapter has the right to have the trier of fact apportion liability among the responsible parties as provided in this section. The burden is on each responsible party to show how that responsible party's liability should be apportioned. The trier of fact shall reduce the amount of damages in proportion to the amount of liability apportioned to the party recovering.*

*(b) In apportioning the liability of a party under this section, the trier of fact shall consider the following:*

*(1) the extent to which that responsible party contributed to the incident;*

*(2) the amount of pesticide involved;*

*(3) the degree of toxicity of the pesticide involved;*

*(4) the degree of involvement of the responsible party and care exercised by the responsible party in manufacturing, formulating, handling, storing, distributing, transporting, applying, and disposing of the pesticide;*

*(5) the degree of cooperation by the responsible party with federal, state, or local officials to prevent any harm to the public health or the environment; and*

*(6) knowledge by the responsible party of the hazardous nature of the pesticide.*

*Subd. 2. [CONTRIBUTION.] If a responsible party is held liable under this chapter and establishes a proportionate share of the aggregate liability, the provisions of section 604.02, subdivisions 1 and 2, shall apply with respect to contribution and reallocation of any uncollectible amounts, except that an administrative law judge may also perform the functions of a court identified in section 604.02, subdivision 2.*

**INSPECTION AND ENFORCEMENT**

**Sec. 33. Minnesota Statutes 1988, section 18B.17, subdivision 2, is amended to read:**

**Subd. 2. [EDUCATION AND TRAINING AGREEMENTS.]** *(a) For purposes of education and training ~~only~~, the commissioner may enter into agreements or contracts with qualified public or private organizations that wish to offer training programs approved by the commissioner.*

*(b) The commissioner may provide pesticide information and related educational materials to persons using and affected by pesticides.*

**Sec. 34. Minnesota Statutes 1988, section 18B.18, is amended to read:**

**18B.18 [INSPECTION.]**

**Subdivision 1. [ACCESS AND ENTRY.]** *(a) The commissioner, ~~and the commissioner's agents, upon issuance of a notice of inspection after notification of a person in control of a site if the person is available and upon presentation of official department credentials, must be granted access at reasonable times without delay to~~ (+) sites ~~where a restricted use pesticide~~*

is used: (2):

(1) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a pesticide ~~in violation of provisions of this chapter; and (3) to all sites; and~~

(2) that the commissioner reasonably believes are affected, or possibly affected, by the use of a pesticide, rinsate, pesticide container, or device in violation of a provision of this chapter.

(b) The commissioner ~~and commissioner's agents~~ may enter sites for:

(1) inspection of equipment for the manufacture, formulation, distribution, disposal, or application of pesticides and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to pesticides;

(3) inspection of storage, handling, distribution, use, or disposal areas of pesticides or pesticide containers;

(4) inspection or investigation of complaints of injury to ~~humans, wild-life, domesticated animals, crops, or~~ the environment;

(5) sampling of pesticides;

(6) observation of the use and application of a pesticide;

(7) inspection of records related to the manufacture, distribution, *storage, handling, use, or disposal of pesticides; and*

(8) *investigating the source, nature, and extent of an incident, and the extent of the adverse effects on the environment; and*

(9) other purposes necessary to implement this chapter.

*(c) Subject to the notification requirements under paragraph (a), the commissioner may enter any public or private premises during or after regular business hours when a suspected or actual incident may or actually does threaten public health or the environment.*

Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.] ~~Before leaving the premises inspected,~~ The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. *On request the commissioner shall split any samples obtained and provide these to the owner, operator, or agent in charge for independent analysis.* 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 *within 30 days of completion. If an analysis is not completed on the samples obtained, the commissioner must notify the owner, operator, or agent in charge within 30 days of making this decision.*

Subd. 3. [INVESTIGATION AUTHORITY.] *(a) In making inspections under this chapter, the commissioner may administer oaths, certify official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony.*

*(b) If a person fails to comply with a subpoena, or a witness refuses to produce evidence or to testify to a matter about which the person may be lawfully questioned, the district court shall, on application of the commissioner, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a*

*refusal to testify in court.*

*Subd. 4. [INSPECTION REQUESTS BY OTHERS.] (a) A person who believes that a violation of this chapter has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.*

*(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.*

*(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the commissioner determines that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.*

*Subd. 5. [ORDER TO ENTER AFTER REFUSAL.] After a refusal or an anticipated refusal based on a prior refusal to allow entrance on a prior occasion by an owner, operator, or agent in charge to allow entry as specified in this chapter, the commissioner may apply for an order in the district court in the county where a site is located, that compels a person with authority to allow the commissioner to enter and inspect the site.*

*Subd. 6. [VIOLATOR LIABLE FOR INSPECTION COSTS.] (a) If an inspection or investigation reveals that a violation of this chapter has occurred, the commissioner may require the person violating the provision of this chapter to pay the commissioner for the reasonable costs incurred by the commissioner in that inspection or investigation.*

*(b) The commissioner may enter an order for recovery of the inspection and investigation costs.*

Sec. 35. Minnesota Statutes 1988, section 18B.20, subdivision 1, is amended to read:

Subdivision 1. [ENFORCEMENT REQUIRED.] (a) The commissioner shall enforce this chapter.

(b) Upon the request of the commissioner ~~or an agent authorized by the commissioner~~, county attorneys, sheriffs, and other officers having authority ~~in the enforcement of the general~~ to enforce state criminal laws shall take action ~~to the extent of their authority necessary~~ or when proper for the enforcement of this chapter, or special orders, standards, stipulations, and agreements of the commissioner.

Sec. 36. Minnesota Statutes 1988, section 18B.20, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL ACTIONS.] ~~For a criminal action,~~ The county attorney ~~from the county~~ where a criminal violation occurred is responsible for prosecuting a criminal violation of a ~~provision of~~ this chapter. If the county attorney refuses to prosecute, the attorney general ~~may, on request of the commissioner, shall~~ prosecute.

Sec. 37. Minnesota Statutes 1988, section 18B.20, subdivision 3, is amended to read:

Subd. 3. [CIVIL ACTIONS.] Civil judicial enforcement actions may be brought ~~by the attorney general on request of the commissioner~~ in the name of the state ~~on behalf of the commissioner~~. ~~A county attorney may bring a civil judicial enforcement action by the attorney general, or by a county attorney,~~ upon the request of the commissioner and ~~agreement by the attorney general~~.

Sec. 38. Minnesota Statutes 1988, section 18B.21, is amended to read:

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations ~~of this chapter or the commissioner's orders~~ by a written warning, administrative meeting, cease and desist, stop-use, or stop-sale order, or other special order, ~~or by a seizure, stipulation, or agreement, or administrative penalty~~ if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCAION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to renew ~~or refuse to grant~~ a registration, permit, license, or certification if a person violates a provision of this chapter ~~or has a history within the last three years of violations of this chapter~~.

Subd. 3. [REMEDIAL ACTION ORDERS.] (a) If the commissioner has probable cause that a pesticide, pesticide container, rinsate, pesticide equipment, or device is being used, manufactured, distributed, stored, or disposed of in violation of a provision of this chapter, the commissioner may investigate and issue a written cease and desist, stop-sale, stop-use, or removal order or other remedial action to the owner, custodian, or other responsible party. If the owner, custodian, or other responsible party is not available for service of the order, the commissioner may attach the order to the pesticide, pesticide container, rinsate, pesticide equipment, or device or facility and notify the owner, custodian, other responsible party, or the registrant. The pesticide, pesticide container, rinsate, pesticide equipment, or device may not be sold, used, or removed until the ~~violation has been corrected and the~~ pesticide, pesticide container, rinsate, pesticide equipment, or device has been released in writing under conditions specified by the commissioner, ~~or until the violation has been otherwise disposed of by an administrative law judge, or a court~~.

(b) If a violation of a provision of this chapter results in conditions that may have an unreasonable adverse effect on humans, domestic animals, wildlife, or the environment, the commissioner may, by order, require remedial action, including removal and proper disposal.

Sec. 39. [18B.212] [ADMINISTRATIVE PENALTIES.]

Subdivision 1. [ASSESSMENT.] (a) ~~The commissioner may assess an administrative penalty of up to \$5,000 per day for violation of a corrective action order or remedial action order.~~

(b) ~~In determining the amount of the penalty, the commissioner must consider the size of the violator's business, the gravity of the violation in terms of actual or potential damage to human health and the environment, and the violator's culpability, good faith, and history of violations.~~

(c) ~~The administrative penalty may be assessed if the person subject to a corrective action order or remedial action order does not comply with the order in the time provided in the order. The commissioner must state the amount of the administrative penalty in the corrective action order or~~

*remedial action order.*

*Subd. 2. [COLLECTION OF PENALTY.] (a) If a person subject to an administrative penalty fails to pay the penalty, which must be part of a final order by the commissioner, by 30 days after the final order is issued, the commissioner may commence a civil action for double the assessed penalty and attorney fees and costs.*

*(b) A penalty may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office.*

**Sec. 40. [18B.214] [APPEAL OF COMMISSIONER'S ORDERS.]**

*Subdivision 1. [NOTICE OF APPEAL.] (a) After service of an order, a person has 45 days from receipt of the order to notify the commissioner in writing that the person intends to contest the order.*

*(b) If the person fails to notify the commissioner that the person intends to contest the order, the order is a final order of the commissioner and not subject to further judicial or administrative review.*

*Subd. 2. [ADMINISTRATIVE REVIEW.] If a person notifies the commissioner that the person intends to contest an order issued under this chapter, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings in contested cases.*

*Subd. 3. [JUDICIAL REVIEW.] Judicial review of a final decision in a contested case is available as provided in chapter 14.*

*Subd. 4. [RECOVERY OF LEGAL EXPENSES.] The prevailing party may recover reasonable legal expenses incurred in a contested case or an appeal from a contested case. The certification of expenses is prima facie evidence that the expenses are reasonable and necessary.*

**Sec. 41.** Minnesota Statutes 1988, section 18B.25, is amended by adding a subdivision to read:

*Subd. 5. [VICARIOUS CIVIL LIABILITY FOR APPLICATORS AND DEALERS.] Structural pest control applicators, commercial applicators, noncommercial applicants, and pesticide dealers are civilly liable for violations of this chapter by their employees and agents.*

**Sec. 42.** Minnesota Statutes 1988, section 18B.26, subdivision 1, is amended to read:

*Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.*

*(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.*

*(c) An unregistered pesticide that was previously registered with the commissioner may be used only with the written permission of the commissioner.*

*(d) Each pesticide with a unique United States Environmental Protection*



*Agency pesticide registration number or a unique brand name must be registered with the commissioner.*

Sec. 43. Minnesota Statutes 1988, section 18B.26, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) ~~An application for initial registration and renewal must be accompanied by a nonrefundable application fee of \$125 for each pesticide to be registered. A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-fifth of one percent of annual gross sales within the state, with a minimum fee of \$200.~~

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) ~~An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before initial state registration. A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed at the time of payment of the registration application fee. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.~~

Sec. 44. Minnesota Statutes 1988, section 18B.26, subdivision 5, is amended to read:

Subd. 5. [APPLICATION REVIEW AND REGISTRATION.] (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use *and distribution* restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval, denial, cancellation, ~~or state use or distribution restrictions~~ *within 30 days after the application and fee are received.*

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified ~~by the commissioner.~~

Sec. 45. Minnesota Statutes 1988, section 18B.26, is amended by adding a subdivision to read:

Subd. 6. [DISCONTINUANCE OF REGISTRATION.] *To ensure complete withdrawal from distribution or further use of a pesticide, a person who intends to discontinue a pesticide registration must:*

(1) *terminate a further distribution within the state and continue to register the pesticide annually for two successive years;*

(2) *initiate and complete a total recall of the pesticide from all distribution in the state within 60 days from the date of notification to the*

*commissioner of intent to discontinue registration; or*

*(3) submit to the commissioner evidence adequate to document that no distribution of the registered pesticide has occurred in the state.*

Sec. 46. [18B.035] [PESTICIDE EDUCATION AND TRAINING.]

*Subdivision 1. [EDUCATION AND TRAINING.] (a) The commissioner shall develop, in conjunction with the University of Minnesota extension service, innovative educational and training programs addressing pesticide concerns including:*

- (1) water quality protection;*
- (2) endangered species;*
- (3) pesticide residues in food and water;*
- (4) worker protection;*
- (5) chronic toxicity;*
- (6) integrated pest management; and*
- (7) pesticide disposal.*

*(b) The commissioner shall appoint educational planning committees which must include representatives of industry.*

*(c) Specific current regulatory concerns must be discussed and, if appropriate, incorporated into each training session.*

*(d) The commissioner may approve programs from private industry and nonprofit organizations that meet minimum requirements for education, training, and certification.*

*Subd. 2. [TRAINING MANUAL AND EXAMINATION DEVELOPMENT.] The commissioner, in conjunction with the University of Minnesota extension service, shall continually revise and update pesticide applicator training manuals and examinations. The manuals and examinations must be written to meet or exceed the minimum standards required by the United States Environmental Protection Agency and pertinent state specific information. Questions in the examinations must be determined by the responsible agencies. Manuals and examinations must include pesticide management practices that discuss prevention of pesticide occurrence in groundwaters of the state.*

*Subd. 3. [PESTICIDE APPLICATOR EDUCATION AND EXAMINATION REVIEW BOARD.] (a) The commissioner shall establish and chair a pesticide applicator education and examination review board. This board must meet at least once a year before the initiation of pesticide educational planning programs. The purpose of the board is to discuss topics of current concern that can be incorporated into pesticide applicator training sessions and appropriate examinations. This board shall review and evaluate the various educational programs recently conducted and recommend options to increase overall effectiveness.*

*(b) Membership on this board must represent industry, private, nonprofit organizations, and other governmental agencies, including the University of Minnesota, the pollution control agency, department of health, department of natural resources, and department of transportation.*

*(c) Membership on the board must include representatives from environmental protection organizations.*

Sec. 47. Minnesota Statutes 1988, section 18B.31, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A pesticide dealer license:

(1) expires on December 31 of each year unless it is suspended or revoked before that date; ~~and~~

(2) is not transferable to another person or location; and

(3) must be prominently displayed to the public in the pesticide dealer's place of business.

Sec. 48. Minnesota Statutes 1988, section 18B.31, subdivision 5, is amended to read:

Subd. 5. [APPLICATION FEE.] (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of \$50.

(b) If an application for renewal of a pesticide dealer license is not filed before January 1 of the year for which the license is to be issued, an additional fee of \$20 must be paid by the applicant before the license is issued.

(c) An application for a duplicate pesticide dealer's license must be accompanied by a nonrefundable application fee of \$10.

Sec. 49. [18B.315] [RETAIL PESTICIDE HANDLER'S LICENSE.]

Subdivision 1. [REQUIREMENT.] *Except as provided in section 18B.31, a person may not distribute a pesticide without a retail pesticide handler's license.*

Subd. 2. [RESPONSIBILITY.] *A retail pesticide handler is liable for the acts of a person who assists the handler in the distribution of pesticides.*

Subd. 3. [LICENSE.] *A retail pesticide handler's license:*

(1) *is for the period July 1 to June 30 of the following year and must be renewed by the licensee on or before July 1 of each year; and*

(2) *is not transferable from the person to whom the license was issued to another person or from one location to another location.*

Subd. 4. [APPLICATION.] *A person must apply to the commissioner for a retail pesticide handler's license on the forms and in the manner required by the commissioner. The commissioner must provide to the applicant educational materials and regulatory updates that will assist the dealer relating to pesticide recommendations, storage, handling, and use.*

Subd. 5. [APPLICATION FEE.] (a) *An application for a retail pesticide handler's license from each fixed location within the state must be accompanied by a nonrefundable application fee of \$25.*

(b) *If an application for renewal of a retail pesticide handler's license is not filed before June 30 of the year for which the license is to be issued, an additional renewal application fee of \$12.50 must be paid by the applicant before the license will be issued.*

Subd. 6. [PESTICIDE INFORMATION MUST BE POSTED.] *A retail pesticide handler must post pesticide handling information prescribed by*

*the commissioner at a site prescribed by the commissioner in a manner that is readily received by consumers.*

Sec. 50. Minnesota Statutes 1988, section 18B.32, subdivision 2, is amended to read:

Subd. 2. [LICENSES.] (a) A structural pest control license:

(1) expires on December 31 of the year for which the license is issued; ~~and~~

(2) is not transferable; *and*

(3) *must be prominently displayed to the public in the structural pest controller's place of business.*

(b) The commissioner shall establish categories of master, journeyman, and fumigator for a person to be licensed under a structural pest control license.

Sec. 51. Minnesota Statutes 1988, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories except a *licensed* structural pest control applicator.

(b) A person with a commercial applicator license may not apply pesticides on or into surface waters without an aquatic category endorsement on a commercial applicator license.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Sec. 52. Minnesota Statutes 1988, section 18B.33, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A commercial applicator license:

(1) expires on December 31 of the year for which it is issued, unless suspended or revoked before that date; ~~and~~

(2) is not transferable to another person; *and*

(3) *must be prominently displayed to the public in the commercial applicator's place of business.*

Sec. 53. Minnesota Statutes 1988, section 18B.33, subdivision 7, is amended to read:

Subd. 7. [APPLICATION FEES.] (a) A person initially applying for or renewing a commercial applicator license ~~as a business entity must pay a nonrefundable application fee of \$50; except a person who is an employee of a business entity that has a commercial applicator license and is applying for or renewing a commercial applicator license as an individual the non-refundable application fee is \$25.~~

(b) If a renewal application is not filed before March 1 of the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the commercial applicator license may be issued.

*(c) An application for a duplicate commercial applicator license must be accompanied by a nonrefundable application fee of \$10.*

Sec. 54. Minnesota Statutes 1988, section 18B.34, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except for a *licensed* commercial applicator, *certified* private applicator, or *licensed* structural pest control applicator, a person, including a government employee, may not use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) A ~~person with a licensed~~ noncommercial applicator ~~license~~ may not apply pesticides into or on surface waters without an aquatic category endorsement on the license.

(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Sec. 55. Minnesota Statutes 1988, section 18B.34, subdivision 2, is amended to read:

Subd. 2. [LICENSE.] A noncommercial applicator license:

(1) expires on December 31 of the year for which it is issued unless suspended or revoked before that date; ~~and~~

(2) is not transferable; *and*

*(3) must be prominently displayed to the public in the noncommercial applicator's place of business.*

Sec. 56. Minnesota Statutes 1988, section 18B.34, subdivision 5, is amended to read:

Subd. 5. [FEES.] (a) A person initially applying for or renewing a noncommercial applicator license ~~as a business entity~~ must pay a nonrefundable application fee of \$50. ~~A person who is an employee of a business entity that has a noncommercial applicator license and is applying for or renewing a noncommercial applicator license as an individual must pay a nonrefundable application fee of \$25.~~ except an applicant who is a government employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

(b) If an application for renewal of a noncommercial license is not filed before March 1 in the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the renewal license may be issued.

*(c) An application for a duplicate noncommercial applicator license must be accompanied by a nonrefundable application fee of \$10.*

Sec. 57. Minnesota Statutes 1988, section 18B.36, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except for a *licensed* commercial or noncommercial applicator, only a ~~person~~ certified as a private applicator may use ~~or supervise the use of~~ a restricted use pesticide to produce an agricultural commodity:

(1) as a traditional exchange of services without financial compensation; or

(2) on a site owned, rented, or managed by the person or the person's employees.

(b) A private applicator may not purchase a restricted use pesticide without presenting a *certified* private applicator card or the card number.

Sec. 58. Minnesota Statutes 1988, section 18B.36, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training *that meets or exceeds United States Environmental Protection Agency standards* to certify ~~persons as~~ private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies *and must be a minimum of three hours in duration.*

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, *which must include an examination as determined by the commissioner,* an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of ~~five~~ *three* years from the applicant's nearest birthday.

(c) The commissioner shall issue a private applicator card to a private applicator.

Sec. 59. Minnesota Statutes 1988, section 18B.37, subdivision 1, is amended to read:

Subdivision 1. [PESTICIDE DEALER.] (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept *at the time of sale* on forms supplied by the commissioner or on the pesticide dealer's forms if they are approved by the commissioner.

(b) Records must be submitted annually with the renewal application for a pesticide dealer license or upon request of the commissioner.

(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.

Sec. 60. Minnesota Statutes 1988, section 18B.37, subdivision 2, is amended to read:

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.] (a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. The record must include the:

(1) date of the pesticide use;

(2) time the pesticide application was completed;

(3) *brand name of the pesticide, the United States Environmental Protection Agency registration number, and dosage used;*

(4) number of units treated;

(5) temperature, wind speed, and wind direction;

(6) location of the site where the pesticide was applied;

(7) name and address of the customer;

(8) name and signature of applicator, name of company, license number of applicator, and address; ~~and signature of applicator company;~~ and

(9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a single page document for each pesticide application, *except a map not to exceed 8-1/2 inches by 11 inches may be attached to identify treated areas.* ~~Invoices~~ An invoice containing the required information may constitute the required record. *The commissioner shall make sample forms available to meet the requirements of this paragraph.*

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Sec. 61. Minnesota Statutes 1988, section 18B.37, subdivision 3, is amended to read:

Subd. 3. [STRUCTURAL PEST CONTROL APPLICATORS.] (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

(1) date of structural pest control application;

(2) target pest;

(3) brand name of the pesticide, United States Environmental Protection Agency registration number, and amount used;

(4) for fumigation, the temperature and exposure time;

(5) time the pesticide application was completed;

~~(5)~~ (6) name and address of the customer;

~~(6)~~ (7) name and signature of structural pest control applicator's company; name of company and address of applicator or company, applicator's signature, and license number of applicator; and

~~(7)~~ (8) any other information required by the commissioner.

(b) ~~Invoices~~ All information for this record requirement must be contained in a single-page document for each pesticide application. An invoice containing the required information may constitute the record.

(c) Records must be retained for five years after the date of treatment.

(d) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site. *The commissioner must make sample forms available that meet the requirements of this subdivision.*

Sec. 62. Minnesota Statutes 1988, section 18B.37, subdivision 4, is

amended to read:

Subd. 4. [STORAGE, HANDLING, AND DISPOSAL PLAN.] A commercial, noncommercial, or structural pest control applicator or the licensed business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

Sec. 63. [PESTICIDE CONTAINER COLLECTION AND RECYCLING PILOT PROJECT.]

*Subdivision 1. [PROJECT.] The department of agriculture, in consultation and cooperation with the commissioner of the pollution control agency, shall design and implement a pilot collection project, to be completed by June 30, 1991, to:*

- (1) collect, recycle, and dispose of empty, triple-rinsed pesticide containers;*
- (2) develop, demonstrate, and promote proper pesticide container management; and*
- (3) evaluate the current pesticide container management methods and the cause and extent of the problems associated with pesticide containers.*

*Subd. 2. [COLLECTION AND DISPOSAL.] The department of agriculture shall provide for the establishment and operation of temporary collection sites for pesticide containers. The department may limit the type and quantity of pesticide containers acceptable for collection.*

*Subd. 3. [INFORMATION AND EDUCATION.] The department shall develop informational and educational materials to promote proper methods of pesticide container management.*

*Subd. 4. [REPORT.] During the pilot project, the department of agriculture shall conduct surveys and collect information on proper and improper pesticide container storage and disposal. By November 30, 1991, the department shall report to the legislature its conclusions from the project and recommendations for additional legislation or rules governing the management of pesticide containers.*

*Subd. 5. [MANAGEMENT AND DISPOSAL.] The department of agriculture or other entity collecting pesticide containers must manage and dispose of the containers in compliance with applicable federal and state requirements.*

Sec. 64. [REPEALER.]

*Minnesota Statutes 1988, sections 18A.49; 18B.15; 18B.16; and 18B.19, are repealed.*

Sec. 65. [EFFECTIVE DATE.]

*Section 28, subdivisions 1 and 2, relating to the sale and distribution of pesticides in returnable containers is effective July 1, 1994.*



ARTICLE 7  
CHAPTER 18C

FERTILIZERS, SOIL AMENDMENTS, AND PLANT AMENDMENTS

Section 1. [18C.001] [CITATION.]

*This chapter may be cited as the "fertilizer, soil amendment, and plant amendment law."* [17.711]

Sec. 2. [18C.005] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.* [17.713 s. 1]

*Subd. 2. [BEST MANAGEMENT PRACTICES.] "Best management practices" means practices, techniques, and measures developed under article 1, section 6, subdivision 2.*

*Subd. 3. [BRAND.] "Brand" means a term, design, or trademark used in connection with one or several grades of fertilizers or soil and plant amendment materials.* [17.713 s. 2]

*Subd. 4. [CHEMIGATION.] "Chemigation" means a process of applying fertilizers to land or crops including agricultural, nursery, turf, golf course, or greenhouse sites in or with irrigation water during the irrigation process.*

*Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.* [17.713 s. 4a]

*Subd. 6. [COMPOST.] "Compost" is a material derived primarily or entirely from biological decomposition of vegetative organic matter or animal manure that does not have inorganic fertilizer added other than to promote decomposition.*

*Subd. 7. [CORRECTIVE ACTION.] "Corrective action" means an action taken to minimize, eliminate, or clean up an accident.*

*Subd. 8. [CUSTOM APPLY.] "Custom apply" means to apply a fertilizer, soil amendment, or plant amendment product for compensation.*

*Subd. 9. [DEFICIENCY.] "Deficiency" means that amount of nutrient found by analysis is less than the amount guaranteed resulting from a lack of nutrient ingredients or from lack of uniformity.*

*Subd. 10. [DISTRIBUTOR.] "Distributor" means a person who imports, consigns, manufactures, produces, compounds, mixes, or blends fertilizer, or who offers for sale, sells, barter, or otherwise supplies fertilizer or soil and plant amendments in this state.* [17.713 s. 5]

*Subd. 11. [ENVIRONMENT.] "Environment" means surface water, groundwater, air, land, plants, humans, and animals and their interrelationships.*

*Subd. 12. [FERTILIZER.] "Fertilizer" means a substance containing one or more recognized plant nutrients that is used for its plant nutrient content and designed for use or claimed to have value in promoting plant growth. Fertilizer does not include unmanipulated animal and vegetable manures, marl, lime, limestone, and other products exempted by rule by the commissioner.*

*Subd. 13. [FIXED LOCATION.] "Fixed location" means all stationary fertilizer facility operations, owned or operated by a person, located in*

*the same plant location or locality.* [17.713 s. 6a]

*Subd. 14. [GRADE.] "Grade" means the percentage of total nitrogen (N), available phosphorus (P) or phosphoric acid (P2O5), and soluble potassium (K) or soluble potash (K2O) stated in whole numbers in the same terms, order, and percentages as in the guaranteed analysis except the grade of bone meals, manures, and similar raw materials may be stated in fractional units, and specialty fertilizers may be stated in fractional units of less than one percent of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash.* [17.713 s. 7]

*Subd. 15. [GUARANTOR.] "Guarantor" means the person who is guaranteeing the material to be as stated in the guaranteed analysis.* [17.713 s. 9]

*Subd. 16. [HAZARDOUS WASTE.] "Hazardous waste" means a substance identified or listed as hazardous waste in the rules adopted under section 116.07, subdivision 4.*

*Subd. 17. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, portable container rupture, leak, spill, emission, discharge, escape, disposal, or other event that releases or immediately threatens to release a fertilizer, soil amendment, or plant amendment accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. Incident does not include a release resulting from the normal use of a product or practice in accordance with law.*

*Subd. 18. [INVESTIGATIONAL ALLOWANCE.] "Investigational allowance" means an allowance for variations inherent in the taking, preparation, and analysis of an official sample of fertilizer.*

*Subd. 19. [LABEL.] "Label" means the display of all written, printed or graphic matter upon the immediate container or the statement accompanying a fertilizer, soil amendment, or plant amendment.* [17.713 s. 9a]

*Subd. 20. [LABELING.] "Labeling" means all written, printed or graphic matter on or accompanying a fertilizer, soil amendment, or plant amendment or advertisements, brochures, posters, television, radio or other announcements used in promoting the sale of fertilizers, soil amendments, or plant amendments.* [17.713 s. 9b]

*Subd. 21. [MANIPULATED.] "Manipulated" means fertilizers that are manufactured, blended, mixed, or animal or vegetable manures that have been treated in any manner, including mechanical drying, grinding, pelleting, and other means, or by adding other chemicals or substances.*

*Subd. 22. [MOBILE MECHANICAL UNIT.] "Mobile mechanical unit" means a portable machine or apparatus used to blend, mix, or manufacture fertilizers.* [17.713 s. 11]

*Subd. 23. [OFFICIAL SAMPLE.] "Official sample" means a sample of fertilizer, soil amendment, or plant amendment taken by the commissioner according to methods prescribed by this chapter.* [17.713 s. 12]

*Subd. 24. [ORGANIC.] "Organic" in reference to fertilizer nutrients refers only to naturally occurring substances generally recognized as the hydrogen compounds of carbon and their derivatives or synthetic products of similar composition with a water insoluble nitrogen content of at least 60 percent of the guaranteed total nitrogen.* [17.713 s. 13]

*Subd. 25. [OWNER OF REAL PROPERTY.] "Owner of real property" means a person who is in possession of, has the right of control, or controls the use of real property, including without limitation a person who may be a fee owner, lessee, renter, tenant, lessor, contract for deed vendee, licensor, licensee, or occupant.*

*Subd. 26. [PERCENT; PERCENTAGE.] "Percent" or "percentage" means the percentage by weight. [17.713 s. 14]*

*Subd. 27. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, joint stock company, or unincorporated organization, the state, a state agency, or a political subdivision. [17.713 s. 15]*

*Subd. 28. [PLANT AMENDMENT.] "Plant amendment" means a substance applied to plants or seeds that is intended to improve germination, growth, yield, product quality, reproduction, flavor, or other desirable characteristics of plants except fertilizers, soil amendments, agricultural liming materials, pesticides, and other materials that are exempted by rule. [17.713 s. 15a]*

*Subd. 29. [PLANT FOOD.] "Plant food" means a plant nutrient generally recognized as beneficial for plant growth, including nitrogen, phosphorus, potassium, calcium, magnesium, sulfur, boron, chlorine, cobalt, copper, iron, manganese, molybdenum, sodium, and zinc. [17.713 s. 15b]*

*Subd. 30. [REGISTRANT.] "Registrant" means the person who registers fertilizer, soil amendment, or plant amendment under this chapter. [17.713 s. 16]*

*Subd. 31. [RESPONSIBLE PARTY.] "Responsible party" means a person who at the time of an incident has custody of, control of, or responsibility for a fertilizer, fertilizer container, or fertilizer rinsate.*

*Subd. 32. [RETAIL FERTILIZER HANDLER.] "Retail fertilizer handler" means a person who sells a fertilizer in a packaged container produced or guaranteed by another person.*

*Subd. 33. [RINSATE.] "Rinsate" means a dilute mixture of a fertilizer or fertilizer with water, solvents, oils, commercial rinsing agents, or other substances.*

*Subd. 34. [SAFEGUARD.] "Safeguard" means a facility, equipment, device, or system, individually or in combination, designed to prevent an incident.*

*Subd. 35. [SELL.] "Sell," in reference to the sale of fertilizer, soil amendment, or plant amendment, includes:*

*(1) the act of selling, transferring ownership;*

*(2) the offering and exposing for sale, exchange, distribution, giving away, and transportation in, and into, this state;*

*(3) the possession with intent to sell, exchange, distribute, give away or transport in, and into, this state;*

*(4) the storing, carrying, and handling in aid of trafficking fertilizers, plant amendments, or soil amendments, whether done in person or through an agent, employee or others; and*

*(5) receiving, accepting, and holding of consignment for sale. [17.713*

s. 17]

*Subd. 36. [SEWAGE SLUDGE.] "Sewage sludge" means the solids and associated liquids in municipal wastewater that are encountered and concentrated by a municipal wastewater treatment plant. Sewage sludge does not include incinerator residues and grit, scum, or screenings removed from other solids during treatment. [17.713 s. 17a]*

*Subd. 37. [SITE.] "Site" includes land and water areas, air space, and plants, animals, structures, buildings, contrivances, and machinery, whether fixed or mobile, including anything used for transportation.*

*Subd. 38. [SOIL AMENDMENT.] "Soil amendment" means a substance intended to improve the physical characteristics of the soil, except fertilizers, agricultural liming materials, pesticides, and other materials exempted by the commissioner's rules. [17.713 s. 19]*

*Subd. 39. [SPECIALTY FERTILIZER.] "Specialty fertilizer" means a fertilizer labeled and distributed for, but not limited to, the following uses: commercial gardening, greenhouses, nurseries, sod farms, home gardens, house plants, lawn fertilizer that is not custom applied, shrubs, golf courses, municipal parks, cemeteries, and research or experimental uses. [17.713 s. 20]*

*Subd. 40. [TON.] "Ton" means a net ton of 2,000 pounds avoirdupois. [17.713 s. 21]*

*Subd. 41. [UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.] "Unreasonable adverse effects on the environment" means an unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of a fertilizer.*

*Subd. 42. [WILDLIFE.] "Wildlife" means living things that are not human, domesticated, or pests.*

#### GENERAL PROVISIONS

Sec. 3. [18C.105] [ADMINISTRATION.]

*The commissioner of agriculture shall administer this chapter. [17.712]*

Sec. 4. [18C.111] [POWERS AND DUTIES OF COMMISSIONER.]

*Subdivision 1. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer, implement, and enforce this chapter and the department of agriculture is the lead state agency for the regulation of fertilizer, including storage, handling, distribution, use, and disposal of fertilizer.*

*Subd. 2. [DELEGATION OF DUTIES.] The commissioner may delegate duties under this chapter to designated employees or agents of the department of agriculture.*

*Subd. 3. [DELEGATION TO APPROVED AGENCIES.] The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of other agencies. The delegation may only be made to a state agency, a political subdivision, or a political subdivision's agency that has signed a joint powers agreement with the commissioner as provided in section 471.59.*

*Subd. 4. [EMPLOYEES.] The commissioner may employ necessary agents*

*and assistants to administer and enforce this chapter, none of whom, except those who are employed on a full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan by the department of employee relations or the appropriate bargaining unit contract.*

Sec. 5. [18C.115] [ADOPTION OF NATIONAL STANDARDS.]

*Subdivision 1. [POLICY OF UNIFORMITY.] It is the policy of this state to achieve and maintain uniformity as much as possible with national standards and with other states in the regulation and control of the manufacture, distribution, and sale of fertilizer in this state.*

*Subd. 2. [ADOPTION OF NATIONAL STANDARDS.] Applicable national standards contained in the 1989 official publication, number 42, of the association of American plant food control officials including the rules and regulations, statements of uniform interpretation and policy, and the official fertilizer terms and definitions, and not otherwise adopted by the commissioner, may be adopted as fertilizer rules of this state.*

Sec. 6. [18C.121] [RULES.]

*Subdivision 1. [ADMINISTRATION.] The commissioner may adopt emergency or permanent rules necessary to implement and enforce this chapter. The rules must conform to national standards in a manner that is practicable and consistent with state law. [17.725 s. 1]*

*Subd. 2. [LIMING MATERIALS.] The commissioner may adopt rules governing the labeling, registration, and distribution of liming materials sold for agricultural purposes. [17.725 s. 2]*

*Subd. 3. [CERTIFICATION OF LABORATORIES.] The commissioner may adopt rules establishing procedures and requirements for certification of soil and plant food testing laboratories operating in or outside of the state for the benefit of state residents. The rules shall include but not be limited to standardization of procedures and recommendations relating to application of plant food materials. Basic data and reference material for establishment of rules will include but not be limited to findings of the University of Minnesota soil testing laboratory. [17.725 s. 3]*

*Subd. 4. [HEARINGS.] Hearings authorized or required by law must be conducted by the commissioner or an officer, agent, or employee the commissioner designates.*

Sec. 7. [18C.131] [FERTILIZER INSPECTION ACCOUNT.]

*A fertilizer inspection account is established in the state treasury. The fees collected under this chapter must be deposited in the state treasury and credited to the fertilizer inspection account. Money in that account, including interest earned and money appropriated for the purposes of this chapter, is annually appropriated to the commissioner for the administration of this chapter. [17.717 s. 1a]*

Sec. 8. [18C.135] [APPLICATION OF REQUIREMENTS TO SEWAGE SLUDGE AND COMPOST.]

*Subdivision 1. [SEWAGE SLUDGE WITHOUT CHARGE EXEMPT.] Sewage sludge that is transferred between parties without compensation is exempt from the requirements of this chapter except the labeling requirements of this chapter.*

*Subd. 2. [SEWAGE SLUDGE ANALYSIS MEETS LABELING REQUIREMENTS.] A copy of the sewage sludge analysis required by the rules of the pollution control agency is sufficient to meet the labeling requirements.*

*Subd. 3. [COMPOST WITHOUT CHARGE EXEMPT.] Compost that is transferred between parties without compensation is exempt from all requirements of this chapter.*

**Sec. 9. [18C.141] [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 shall 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 shall 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.] (a) 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.*

*(b) If a certified laboratory offers a recommendation, the University of Minnesota recommendation or that of another land grant college in a contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If relative levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state 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 shall 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 shall notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.*

*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 shall 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. [17.73]*

#### SALE, USE, AND STORAGE

##### Sec. 10. [18C.201] [PROHIBITED FERTILIZER ACTIVITIES.]

*Subdivision 1. [STORAGE, HANDLING, DISTRIBUTION, OR DISPOSAL.] A person may not store, handle, distribute, or dispose of a fertilizer, rinsate, fertilizer container, or fertilizer application equipment in a manner:*

*(1) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife;*

*(2) that will cause unreasonable adverse effects on the environment; or*

*(3) that will cause contamination of public or other waters of the state, as defined in section 105.37, subdivisions 7 and 14, from backsiphoning or backflowing of fertilizers through water wells or from the direct flowage of fertilizers.*

*Subd. 2. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.] A person may not fill fertilizer application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device that complies with Minnesota Rules, parts 4715.2000 to 4715.2280.*

*Subd. 3. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] A person may not fill fertilizer application equipment directly from public or other waters of the state, as defined in section 105.37, subdivisions 7 and 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms.*

*Subd. 4. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.] A person may not:*

*(1) clean fertilizer application equipment in surface waters of the state; or*

*(2) fill or clean fertilizer application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, fertilizers or materials contaminated with fertilizers could enter or contaminate the surface waters, groundwater, or wells, as a result of overflow, leakage, or other causes.*

*Subd. 5. [FERTILIZER, RINSATE, AND CONTAINER DISPOSAL.] A person may only dispose of fertilizer, rinsate, and fertilizer containers in accordance with this chapter. The manner of disposal must not cause unreasonable adverse effects on the environment.*

##### Sec. 11. [18C.205] [CHEMIGATION.]

*Subdivision 1. [AUTHORIZATION.] The commissioner may issue chemigation permits for irrigation to be used to apply fertilizers on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.*

*Subd. 2. [PERMIT REQUIRED.] A person may not apply fertilizers through an irrigation system without a chemigation permit from the commissioner. A chemigation permit is required for one or more wells that are protected from contamination by the same devices.*

*Subd. 3. [APPLICATION.] (a) A person must apply for a chemigation permit on forms prescribed by the commissioner.*

*(b) A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50. A person who holds a valid pesticide chemigation permit as required in chapter 18B is exempt from the fee in this subdivision.*

*Subd. 4. [PERMIT REQUIREMENTS.] An irrigation system operating under a chemigation permit must be fitted with effective antisiphon devices or check valves that prevent the backflow of fertilizers or fertilizer-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:*

*(1) the irrigation system pump or other source discharge and the point of fertilizer injection; and*

*(2) the point of fertilizer injection and the fertilizer supply.*

*Subd. 5. [RULES.] The commissioner shall adopt rules prescribing conditions and restrictions for applying fertilizers by irrigation.*

**Sec. 12. [18C.211] [GUARANTEED ANALYSIS.]**

*Subdivision 1. [N, P, and K NUTRIENT CONTENT STATED.] (a) Until the commissioner prescribes the alternative form of guaranteed analysis, it must be stated as provided in this subdivision.*

*(b) A guaranteed analysis must state the percentage of plant nutrient content, if claimed, in the following form:*

- “(1) Total Nitrogen (N) . . . . . percent*
- (2) Available Phosphoric Acid (P2O5) . . . . . percent*
- (3) Soluble Potash (K2O) . . . . . percent”*

*(c) For unacidulated mineral phosphatic materials and basic slag, bone, tankage, and other organic phosphate materials, the total phosphoric acid or degree of fineness may also be stated. [17.713 s. 8]*

*Subd. 2. [GUARANTEES OF THE NUTRIENTS.] (a) A person may guarantee plant nutrients other than nitrogen, phosphorus, and potassium only if allowed or required by commissioner’s rule.*

*(b) The guarantees for the plant nutrients must be expressed in the elemental form.*

*(c) The sources of other elements, oxides, salt, and chelates, may be required to be stated on the application for registration and may be included as a parenthetical statement on the label. Other beneficial substances or compounds, determinable by laboratory methods, also may be guaranteed by permission of the commissioner and with the advice of the director of*



*the agricultural experiment station.*

*(d) If plant nutrients or other substances or compounds are guaranteed, the plant nutrients are subject to inspection and analyses in accord with the methods and rules prescribed by the commissioner.*

*(e) The commissioner may, by rule, require the potential basicity or acidity expressed in terms of calcium carbonate equivalent in multiples of 100 pounds per ton. [17.713 s. 8]*

*Subd. 3. [FORM FOR ANALYSES.] (a) The commissioner may require a guaranteed analysis to be in a prescribed form if the commissioner determines that the requirement for expressing the guaranteed analysis of phosphorus and potassium in elemental form would not impose an economic hardship on distributors and users of fertilizer because of conflicting labeling requirements among the states.*

*(b) The commissioner must give proper notice and hold a public hearing before the determination is made.*

*(c) After making the determination under paragraph (a), the commissioner may require by rule that guaranteed analyses be in the following form:*

<i>"Total Nitrogen (N)</i>	<i>. . . . . percent</i>
<i>Available Phosphorus (P)</i>	<i>. . . . . percent</i>
<i>Soluble Potassium (K)</i>	<i>. . . . . percent"</i>

*(d) In adopting the rule, the commissioner must provide that:*

*(1) the effective date of the rule is at least one year after the rule is adopted; and*

*(2) for a period of two years following the effective date of the rule, the equivalent of phosphorus and potassium may also be shown in the form of phosphoric acid and potash.*

*(e) After the effective date of the rule requiring that phosphorus and potassium be shown in the elemental form, the guaranteed analysis for nitrogen, phosphorus, and potassium constitute the grade. [17.713 s. 8]*

*Subd. 4. [GUARANTEED ANALYSIS OF SOIL OR PLANT AMENDMENT.] The guaranteed analysis of a soil amendment or plant amendment must be an accurate statement of composition including the percentages of each ingredient. If the product is a microbiological product, the number of viable microorganisms per milliliter for a liquid or the number of viable microorganisms per gram for a dry product must also be listed. [17.713 s. 8]*

**Sec. 13. [18C.215] [FERTILIZER LABELING.]**

*Subdivision 1. [LABEL CONTENTS.] (a) A person may not sell or distribute fertilizer in bags or other containers in this state unless a label is placed on or affixed to the bag or container stating in a clear, legible, and conspicuous form the following information:*

*(1) the net weight;*

*(2) the brand and grade, except (i) the grade is not required if primary nutrients are not claimed, and (ii) the grade on the label is optional if the fertilizer is used only for agricultural purposes and the guaranteed analysis statement is shown in the complete form as in section 12;*

(3) *the guaranteed analysis;*

(4) *the name and address of the guarantor;*

(5) *directions for use; and*

(6) *a derivatives statement.*

(b) *The labeled information must appear:*

(1) *on the face or display side of the container in a conspicuous form;*

(2) *on the upper one-third of the side of the container;*

(3) *on the upper end of the container; or*

(4) *printed on tags affixed conspicuously to the upper end of the container.* [17.716 s. 1]

*Subd. 2. [BLENDED AND MIXED FERTILIZER.] (a) A distributor who blends or mixes fertilizer to a customer's order without a guaranteed analysis of the final mixture must furnish each purchaser with an invoice or delivery ticket in written or printed form showing the net weight and guaranteed analysis of each of the materials used in the mixture.*

(b) *The invoice or delivery ticket must accompany the delivery.*

(c) *Records of invoices or delivery tickets must be kept for five years after the delivery or application.* [17.716 s. 3]

*Subd. 3. [BULK FERTILIZER.] If fertilizer is transported or distributed in bulk, the information in subdivision 1, paragraph (a), must accompany each delivery in written or printed form and be supplied to each purchaser at time of delivery.* [17.716 s. 3]

*Subd. 4. [PLANT FOOD CONTENT MUST BE UNIFORM.] The plant food content of a given lot of fertilizer must remain uniform and may not become segregated within the lot.* [17.716 s. 4]

*Subd. 5. [FERTILIZER IN BULK STORAGE.] Fertilizer in bulk storage must be identified with a label attached to the storage bin or container stating the appropriate grade or guaranteed analysis.* [17.716 s. 5]

**Sec. 14. [18C.221] [FERTILIZER PLANT FOOD CONTENT.]**

(a) *Products that are deficient in plant food content are subject to this subdivision.*

(b) *An analysis must show that a fertilizer is deficient:*

(1) *in one or more of its guaranteed primary plant nutrients beyond the investigational allowances and compensations as established by regulation; or*

(2) *if the overall index value of the fertilizer is shown below the level established by rule.*

(c) *A deficiency in an official sample of mixed fertilizer resulting from nonuniformity is not distinguishable from a deficiency due to actual plant nutrient shortage and is properly subject to official action.*

(d) *For the purpose of determining the commercial index value to be applied, the commissioner shall determine at least annually the values per unit of nitrogen, available phosphoric acid, and soluble potash in fertilizers in this state.*

*(e) If a fertilizer in the possession of the consumer is found by the commissioner to be short in weight, the registrant or licensee of the fertilizer must submit a penalty payment of two times the value of the actual shortage to the consumer within 30 days after official notice from the commissioner.*

Sec. 15. [18C.225] [MISBRANDED PRODUCTS.]

*Subdivision 1. [SALE AND DISTRIBUTION PROHIBITED.] A person may not sell or distribute a misbranded fertilizer, soil amendment, or plant amendment. [17.722]*

*Subd. 2. [FACTORS CAUSING MISBRANDING.] A fertilizer, soil amendment, or plant amendment is misbranded if:*

*(1) it carries a false or misleading statement on the container, on the label attached to the container; or*

*(2) false or misleading statements concerning the fertilizer, soil amendment, or plant amendment are disseminated in any manner or by any means. [17.722]*

Sec. 16. [18C.231] [ADULTERATION.]

*Subdivision 1. [SALE AND DISTRIBUTION PROHIBITED.] A person may not sell or distribute an adulterated fertilizer, soil amendment, or plant amendment product. [17.723]*

*Subd. 2. [FACTORS CAUSING ADULTERATION.] A fertilizer, soil amendment, or plant amendment is adulterated if:*

*(1) it contains a deleterious or harmful ingredient in an amount to render it injurious to plant life if applied in accordance with directions for use on the label;*

*(2) the composition falls below or differs from that which the product is purported to possess by its labeling; or*

*(3) the product contains unwanted crop seed or weed seed. [17.723]*

*Subd. 3. [CERTAIN ADULTERATED PRODUCTS MUST BE DISPOSED.] Adulterated products that cannot be reconditioned must be disposed of according to methods approved by the commissioner. [17.723]*

#### FACILITIES

Sec. 17. [18C.235] [CONTINGENCY PLAN FOR STORAGE OF BULK PRODUCTS.]

*Subdivision 1. [PLAN REQUIRED.] A person who stores fertilizers, soil amendment, or plant amendment products in bulk must develop and maintain a contingency plan that describes the storage, handling, disposal, and incident handling practices.*

*Subd. 2. [PLAN AVAILABILITY.] (a) The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request.*

*(b) The plan must be available for inspection by the commissioner.*

Sec. 18. [18C.301] [MIXING PESTICIDE WITH FERTILIZER, SOIL AMENDMENT, OR PLANT AMENDMENT.]

*A distributor who blends, mixes, or otherwise adds pesticides to fertilizers, soil amendments, or plant amendments must:*

*(1) be licensed under section 35; and*

*(2) comply with the provisions of chapter 18B and the federal Insecticide, Fungicide and Rodenticide Act, Public Law Number 92-516, as amended. [17.72]*

**Sec. 19. [18C.305] [FERTILIZER FACILITIES AND EQUIPMENT.]**

*Subdivision 1. [CONSTRUCTION PERMIT.] A person must obtain a permit from the commissioner on forms provided by the commissioner before the person constructs or substantially alters:*

*(1) safeguards; or*

*(2) an existing facility or equipment used for the manufacture, blending, handling, or bulk storage of fertilizers, soil amendments, or plant amendments. The commissioner may not grant a permit for a site without safeguards that are adequate to prevent the escape or movement of the fertilizers from the site. [17.7155 s. 1]*

*Subd. 2. [PERMIT FEES.] (a) An application for a new facility must be accompanied by a nonrefundable application fee of \$100 for each location where fertilizer is stored.*

*(b) An application to substantially alter a facility or equipment must be accompanied by a nonrefundable \$50 fee.*

*(c) An application for safeguards shall be submitted without charge.*

*(d) In addition to the fees under paragraphs (a) and (b), a fee of \$250 must be paid by an applicant who begins construction or substantial alteration before a permit is issued. [17.7155 s. 2]*

*(e) An application for a facility that includes both fertilizers, as regulated under this chapter, and pesticides as regulated under chapter 18B shall pay only one application fee of \$100.*

### INCIDENTS

**Sec. 20. [18C.401] [REPORT OF INCIDENTS REQUIRED.]**

*Subdivision 1. [REPORT TO COMMISSIONER.] A responsible party or an owner of real property must, on discovering an incident has occurred, immediately report the incident to the commissioner.*

*Subd. 2. [WRITTEN REPORT.] The responsible party must submit a written report of the incident to the commissioner in the form and by the time prescribed by the commissioner.*

**Sec. 21. [18C.405] [CORRECTIVE ACTION ORDERS.]**

*Subdivision 1. [CORRECTIVE ACTION ORDERS.] (a) After determining an incident has occurred, the commissioner may order the responsible party to take reasonable and necessary corrective actions.*

*(b) The commissioner shall notify the owner of real property where corrective action is ordered that access to the property will be required for the responsible party or the commissioner to take corrective action.*

*(c) A political subdivision may not request or order any person to take an action that conflicts with the corrective action ordered by the commissioner.*

*(d) The attorney general on request of the commissioner may bring an action to compel corrective action.*

*Subd. 2. [COMMISSIONER'S CORRECTIVE ACTIONS.] The commissioner may take corrective action if:*

*(1) a responsible party cannot be identified; or*

*(2) an identified responsible party cannot or will not comply with a corrective action order issued under subdivision 1.*

*Subd. 3. [EMERGENCY CORRECTIVE ACTION.] (a) To assure an adequate response to an incident, the commissioner may take corrective action without following the procedures of subdivision 1 if the commissioner determines that the incident constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment.*

*(b) Before taking an action under this subdivision, the commissioner must make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible party to take a corrective action and notify the owner of real property where the corrective action is to be taken.*

*Subd. 4. [AGRICULTURE IS LEAD AGENCY.] The department of agriculture is the lead state agency in taking corrective action for incidents.*

#### **Sec. 22. [18C.411] [LIABILITY FOR COSTS.]**

*Subdivision 1. [CORRECTIVE ACTION COSTS.] (a) A responsible party is liable for the costs including administrative costs for corrective action or emergency corrective action. The commissioner may issue an order for recovery of the costs.*

*(b) A responsible party is liable for the costs of any destruction to wildlife. Payments of costs for wildlife destruction shall be deposited in the game and fish fund of the state treasury.*

*Subd. 2. [OWNER OF REAL PROPERTY.] An owner of real property is not a responsible party for an incident on the owner's property unless that owner:*

*(1) was engaged in manufacturing, formulating, transporting, storing, handling, applying, distributing, or disposing of a fertilizer, plant amendment, or soil amendment on the property;*

*(2) knowingly permitted any person to make regular use of the property for disposal of fertilizers, plant amendments, or soil amendments; or*

*(3) violated this chapter in a way that contributed to the incident.*

*Subd. 3. [LIABILITY FOR APPLICATION.] (a) Notwithstanding other provisions relating to liability for fertilizer, plant amendment, or soil amendment use, an end user or landowner is not liable for the cost of active cleanup, or damages associated with or resulting from fertilizers, plant amendments, or soil amendments in groundwater if the person has applied or has had others apply fertilizers, plant amendments, or soil amendments in compliance with state law and orders of the commissioner.*

*(b) It is a complete defense for liability if the person has complied with the provisions in paragraph (a).*

*Subd. 4. [AVOIDANCE OF LIABILITY.] (a) A responsible party may not avoid liability by means of a conveyance of a right, title, or interest*

*in real property, or by an indemnification, hold harmless agreement, or similar agreement.*

*(b) The subdivision does not:*

*(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;*

*(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or*

*(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.*

*Subd. 5. [DEFENSE.] As a defense to a penalty or liability for damages, a person may prove that a violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or a combination of these defenses.*

**Sec. 23. [18C.415] [APPORTIONMENT OF LIABILITY AND CONTRIBUTION.]**

*Subdivision 1. [RIGHT OF APPORTIONMENT.] (a) A responsible party held liable under this chapter has the right to have the trier of fact apportion liability among the responsible parties as provided in this section. The burden is on each responsible party to show how that responsible party's liability should be apportioned. The trier of fact shall reduce the amount of damages in proportion to the amount of liability apportioned to the party recovering.*

*(b) In apportioning the liability of a party under this section, the trier of fact shall consider the following:*

*(1) the extent to which that responsible party contributed to the incident;*

*(2) the amount of fertilizer, plant amendment, or soil amendment involved;*

*(3) the degree of toxicity of the fertilizer, plant amendment, or soil amendment involved;*

*(4) the degree of involvement of and care exercised by the responsible party in manufacturing, formulating, handling, storing, distributing, transporting, applying, and disposing of the fertilizer, plant amendment, or soil amendment;*

*(5) the degree of cooperation by the responsible party with federal, state, or local officials to prevent any harm to the public health or the environment; and*

*(6) knowledge by the responsible party of the hazardous nature of the fertilizer, plant amendment, or soil amendment.*

*Subd. 2. [CONTRIBUTION.] If a responsible party is held liable under this chapter and establishes a proportionate share of the aggregate liability, the provisions of section 604.02, subdivisions 1 and 2, shall apply with respect to contribution and reallocation of any uncollectible amounts, except that an administrative law judge may also perform the functions of a court identified in section 604.02, subdivision 2.*

## INSPECTION AND ENFORCEMENT

## Sec. 24. [18C.501] [INSPECTION, SAMPLING, ANALYSIS.]

*Subdivision 1. [ACCESS AND ENTRY.] (a) The commissioner, upon presentation of official department credentials, must be granted access at reasonable times without delay to sites:*

*(1) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a fertilizer, soil amendment, or plant amendment; and*

*(2) which the commissioner reasonably believes are affected, or possibly affected, by the use of a fertilizer, soil amendment, plant amendment, or device in violation of this chapter.*

*(b) The commissioner may enter sites for:*

*(1) inspection of equipment for the manufacture, blending, distribution, disposal, or application of fertilizers, soil amendments, or plant amendments and the premises on which the equipment is stored;*

*(2) sampling of sites actually or reportedly exposed to fertilizers, soil amendments, or plant amendments;*

*(3) inspection of storage, handling, distribution, use, or disposal areas of fertilizer, soil amendment, or plant amendment containers;*

*(4) inspection or investigation of complaints of injury to the environment;*

*(5) sampling of fertilizers, soil amendments, or plant amendments;*

*(6) observation of the use and application of a fertilizer, soil amendment, or plant amendment;*

*(7) inspection of records related to the manufacture, distribution, storage, handling, use, or disposal of a fertilizer, soil amendment, or plant amendment;*

*(8) investigating the source, nature, and extent of an incident, and the extent of the adverse effects on the environment; and*

*(9) other purposes necessary to implement this chapter.*

*(c) The commissioner may enter any public or private premises during or after regular business hours without a notice of inspection when a suspected incident may threaten public health or the environment.*

*Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.] (a) 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.*

*(b) The methods of sampling and analysis must be those adopted by the association of official analytical chemists. In cases not covered by those methods, or in cases where methods are available in which improved applicability has been demonstrated, the commissioner may adopt appropriate methods from other sources.*

*(c) In sampling a lot of fertilizer, soil amendment, or plant amendment that is registered, a single package may constitute the official sample.*

*Subd. 3. [INSPECTION REQUESTS BY OTHERS.] (a) A person who*

*believes that a violation of this chapter has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.*

*(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.*

*(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the commissioner determines that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.*

*Subd. 4. [ORDER TO ENTER AFTER REFUSAL.] After a refusal or an anticipated refusal based on a prior refusal to allow entrance on a prior occasion by an owner, operator, or agent in charge to allow entry as specified in this chapter, the commissioner may apply for an order in the district court in the county where a site is located, that compels a person with authority to allow the commissioner to enter and inspect the site.*

*Subd. 5. [VIOLATOR LIABLE FOR INSPECTION COSTS.] (a) If an inspection or investigation reveals that a violation of this chapter has occurred, the commissioner may require the person who has violated the provisions of this chapter to pay the commissioner for the reasonable costs incurred by the commissioner in that inspection or investigation.*

*(b) The commissioner may enter an order for recovery of the inspection and investigation costs.*

*Subd. 6. [INVESTIGATION AUTHORITY.] (a) In making inspections under this chapter, the commissioner may administer oaths, certify official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony.*

*(b) If a person fails to comply with a subpoena, or a witness refuses to produce evidence or to testify to a matter about which the person may be lawfully questioned, the district court shall, on application of the commissioner, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify in court.*

#### **Sec. 25. [18C.505] [ENFORCEMENT.]**

*Subdivision 1. [ENFORCEMENT REQUIRED.] (a) The commissioner shall enforce this chapter.*

*(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter or special orders, standards, stipulations, and agreements of the commissioner.*

*Subd. 2. [COMMISSIONER'S DISCRETION.] If minor violations of this chapter occur or when the commissioner believes the public interest will be best served by a suitable notice of warning in writing, this chapter*



does not require the commissioner to:

- (1) report the violation for prosecution;
- (2) institute seizure proceedings; or
- (3) issue a withdrawal from distribution or stop-sale order. [17.728 s. 3]

*Subd. 3. [CIVIL ACTIONS.] Civil judicial enforcement actions may be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil judicial enforcement action upon the request of the commissioner and agreement by the attorney general.*

*Subd. 4. [INJUNCTION.] The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of this chapter.*

*Subd. 5. [CRIMINAL ACTIONS.] For a criminal action, the county attorney from the county where a criminal violation occurred is responsible for prosecuting a violation of this chapter. If the county attorney refuses to prosecute, the attorney general on request of the commissioner may prosecute.*

*Subd. 6. [CUSTOM APPLICATION; VICARIOUS LIABILITY.] Persons who custom apply a fertilizer, soil amendment, or plant amendment are civilly liable for violations of this chapter by their employees and agents.*

**Sec. 26. [18C.511] [ADMINISTRATIVE ACTION.]**

*Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale, removal, correction order, or other special order, seizure, stipulation, agreement, or administrative penalty, if the commissioner determines that the remedy is in the public interest.*

*Subd. 2. [REVOCATION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant a registration, permit, license, or certification if a person violates a provision of this chapter or has a history within the last three years of violations of this chapter.*

*Subd. 3. [CANCELLATION OF REGISTRATION.] (a) The commissioner may cancel the registration of a specialty fertilizer, soil amendment, or plant amendment or refuse to register a brand of specialty fertilizer, soil amendment, or plant amendment after receiving satisfactory evidence that the registrant has used fraudulent or deceptive practices in the evasion or attempted evasion of the provisions of this chapter.*

*(b) Registration may not be revoked until the registrant has been given opportunity for a hearing by the commissioner. [17.728 s. 1]*

*Subd. 4. [CANCELLATION OF LICENSE.] (a) The commissioner may cancel a license issued under this chapter after receiving satisfactory evidence that the licensee has used fraudulent and deceptive practices in the evasion or attempted evasion of the provisions of this chapter.*

*(b) A license may not be revoked until the licensee has been given opportunity for a hearing by the commissioner. [17.728 s. 2]*

*Subd. 5. [CANCELLATION OF FACILITY AND EQUIPMENT*

APPROVAL.] (a) *The commissioner may cancel the approval of a facility or equipment if:*

(1) *hazards to people's lives, adjoining property, or the environment exist; or*

(2) *satisfactory evidence that the person to whom the approval was issued has used fraudulent or deceptive practices to evade or attempt to evade the provisions of this chapter.*

(b) *An approval may not be canceled until the person has been given an opportunity for a hearing by the commissioner. [17.728 s. 2a]*

Subd. 6. [SERVICE OF ORDER OR NOTICE.] (a) *If a person is not available for service of an order, the commissioner may attach the order to the fertilizer or soil amendment and plant amendment container, rinsate, equipment, or device or facility and notify the owner, custodian, other responsible party, or registrant.*

(b) *The fertilizer, soil amendment, or plant amendment container, rinsate, equipment, or device may not be sold, used, or removed until the fertilizer, soil amendment, or plant amendment container, rinsate, equipment, or device has been released under conditions specified by the commissioner, by an administrative law judge, or by a court.*

Sec. 27. [18C.515] [DAMAGES AGAINST STATE FOR ADMINISTRATIVE ACTION WITHOUT CAUSE.]

*If the commissioner did not have probable cause for an administrative action, including the issuance of a stop-sale, stop-use, or removal order, a court may allow recovery for damages caused by the administrative action.*

Sec. 28. [18C.521] [ADMINISTRATIVE PENALTIES.]

Subdivision 1. [ASSESSMENT.] (a) *In determining the amount of the administrative penalty, the commissioner must consider the size of the violator's business, the gravity of the violation in terms of actual or potential damage to human health and the environment, and the violator's culpability, good faith, and history of violations.*

(b) *The commissioner may assess an administrative penalty of up to \$5,000 per day for a violation of a corrective action order or remedial action order.*

(c) *An administrative penalty may be assessed if the person subject to a corrective action order or remedial action order does not comply with the order in the time provided in the order. The commissioner must state the amount of the administrative penalty in the corrective action order or remedial action order.*

Subd. 2. [COLLECTION OF PENALTY.] (a) *If a person subject to an administrative penalty fails to pay the penalty, which must be part of a final order by the commissioner, by 30 days after the final order is issued, the commissioner may commence a civil action for double the assessed penalty plus attorney fees and costs.*

(b) *An administrative penalty may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office.*

**Sec. 29. [18C.525] [APPEAL OF COMMISSIONER'S ORDERS.]**

*Subdivision 1. [NOTICE OF APPEAL.] (a) After service of an order, a person has 45 days from receipt of the order to notify the commissioner in writing that the person intends to contest the order.*

*(b) If the person fails to notify the commissioner that the person intends to contest the order, the order is a final order of the commissioner and not subject to further judicial or administrative review.*

*Subd. 2. [ADMINISTRATIVE REVIEW.] If a person notifies the commissioner that the person intends to contest an order issued under this chapter, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings in contested cases.*

*Subd. 3. [JUDICIAL REVIEW.] Judicial review of a final decision in a contested case is available as provided in chapter 14.*

*Subd. 4. [RECOVERY OF LEGAL EXPENSES.] The prevailing party may recover reasonable legal expenses incurred in a contested case or an appeal from a contested case. The certification of expenses is prima facie evidence that the expenses are reasonable and necessary.*

**Sec. 30. [18C.531] [CIVIL PENALTIES.]**

*Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivisions 2 and 3, a person who violates this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner is subject to a civil penalty of up to \$10,000 per day of violation as determined by the court.*

*Subd. 2. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner that relates to disposal of fertilizers, soil amendments, or plant amendments so that they become hazardous waste, is subject to the penalties in section 115.071.*

*Subd. 3. [DEFENSE TO CIVIL REMEDIES AND DAMAGES.] As a defense to a civil penalty or claim for damages under subdivisions 1 and 2, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.*

*Subd. 4. [ACTIONS TO COMPEL PERFORMANCE.] In an action to compel performance of an order of the commissioner to enforce a provision of this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.*

*Subd. 5. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.*

*Subd. 6. [RECOVERY OF LITIGATION COSTS AND EXPENSES.] In an action brought by the attorney general or a county attorney in the name of the state under this chapter for civil penalties or injunctive relief, or in an action to compel compliance, if the state finally prevails, the state, in addition to other penalties provided in this chapter, must be allowed an*

*amount determined by the court to be the reasonable value of all or a part of the litigation expenses including attorney fees incurred by the state or county attorney. In determining the amount of these litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.*

Sec. 31. [18C.535] [CRIMINAL PENALTIES.]

*Subdivision 1. [GENERAL VIOLATION.] Except as provided in subdivisions 2 and 3, a person is guilty of a misdemeanor if the person violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner.*

*Subd. 2. [VIOLATION ENDANGERING HUMANS.] A person is guilty of a gross misdemeanor if the person violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner, and the violation endangers humans.*

*Subd. 3. [VIOLATION WITH KNOWLEDGE.] A person is guilty of a gross misdemeanor if the person knowingly violates a provision of this chapter or a standard, special order, stipulation, agreement, or schedule of compliance of the commissioner.*

*Subd. 4. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who knowingly, or with reason to know, disposes of a fertilizer, soil amendment, or plant amendment so that the product becomes hazardous waste is subject to the penalties in section 115.071.*

REGISTRATION AND LICENSING

Sec. 32. [18C.601] [GENERAL LICENSING AND REGISTRATION CONDITIONS.]

*Subdivision 1. [SUBSTANTIATION OF CLAIMS.] The commissioner may require a person applying for a license or registration to manufacture or distribute a product for use in this state to submit authentic experimental evidence or university research data to substantiate the claims made for the product. The commissioner may rely on experimental data, evaluations, or advice furnished by experts at the University of Minnesota as evidence to substantiate claims and may accept or reject additional sources of evidence in evaluating a fertilizer, soil amendment, or plant amendment. The experimental evidence must relate to conditions in this state for which the product is intended. The commissioner may also require evidence of value when used as directed or recommended.*

*Subd. 2. [INSUFFICIENT EVIDENCE.] If the commissioner determines that the evidence submitted does not substantiate the product's usefulness in this state, the commissioner may require the applicant to submit samples, conduct tests, or submit additional information, including conditions affecting performance, to evaluate the product's performance and usefulness.*

*Subd. 3. [REFUSAL TO LICENSE OR REGISTER.] The commissioner may refuse to license a person or register a specialty fertilizer, soil amendment, or plant amendment if:*

*(1) the application for license or registration is not complete;*

*(2) the commissioner determines that the fertilizer, soil amendment, plant amendment, or other additive with substantially the same contents will not or is not likely to produce the results or effects claimed if used as directed;*

(3) *the commissioner determines that the fertilizer, soil amendment, plant amendment, or other additive with substantially the same contents is not useful in this state; or*

(4) *the facility does not properly safeguard for bulk storage.*

*Subd. 4. [CONDITIONAL LICENSE AND REGISTRATION.] (a) After reviewing an application accompanied by the application fee, the commissioner may issue a conditional license or registration:*

(1) *to prevent unreasonable adverse effects on the environment; or*

(2) *if the commissioner determines that the applicant needs the license or registration to accumulate information necessary to substantiate claims; or*

(3) *to correct minor label violations.*

*(b) The commissioner may prescribe terms, conditions, and a limited period of time for the conditional license or registration.*

*(c) The commissioner may revoke or modify a conditional license or registration if the commissioner finds that the terms or conditions are being violated or are inadequate to avoid unreasonable adverse effects on the environment.*

*(d) The commissioner may deny issuance of a conditional license or registration if the commissioner determines that issuance of a license or registration is not warranted or that the use to be made of the product under the proposed terms and conditions may cause unreasonable adverse effects on the environment.*

### **Sec. 33. [18C.605] [PROTECTION OF TRADE SECRETS.]**

*Subdivision 1. [NOTATION OF PROTECTED INFORMATION.] In submitting data required by this chapter, the applicant may:*

(1) *clearly mark any portions that in the applicant's opinion are trade secrets, or commercial or financial information; and*

(2) *submit the marked material separately from other material.*

*Subd. 2. [PROTECTION OF INFORMATION BY COMMISSIONER.] (a) After consideration of the applicant's request submitted under subdivision 1, the commissioner may not allow the information to become public that the commissioner determines to contain or relate to trade secrets or to commercial or financial information obtained from an applicant. If necessary, information relating to formulas of products may be revealed to a state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the commissioner.*

*(b) If the commissioner proposes to release information that the applicant or registrant believes to be protected from disclosure under paragraph (a), the commissioner must notify the applicant or registrant by certified mail. The commissioner may not make the information available for inspection until 30 days after receipt of the notice by the applicant or registrant. During this period, the applicant or registrant may begin an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section.*

### **Sec. 34. [18C.611] [REGISTRATION OF SPECIALTY FERTILIZERS,**

## SOIL AMENDMENTS, AND PLANT AMENDMENTS.]

*Subdivision 1. [REGISTRATION REQUIRED.] (a) A person may not sell brands or grades of specialty fertilizers, soil amendments, or plant amendments in this state unless they are registered with the commissioner. [17.714 s. 1]*

*(b) Registration of the materials is not a warranty by the commissioner or the state. [17.714 s. 6]*

*(c) Specialty fertilizers custom applied are exempt from the registration requirements of this section.*

*Subd. 2. [APPLICATION.] The application for registration must include:*

*(1) for specialty fertilizers:*

*(i) the name and address of the guarantor and registrant;*

*(ii) the brand and grade;*

*(iii) the guaranteed analysis as required by section 12;*

*(iv) the sources from which nitrogen, phosphorus, potassium or other elements or materials are derived; and*

*(v) the amount and formulas of inert ingredients; and*

*(2) for soil amendments and plant amendments:*

*(i) the name and address of the guarantor and registrant;*

*(ii) the brand name;*

*(iii) the sources from which the ingredients used in the product are derived; and*

*(iv) the guaranteed analysis as required by section 12. [17.714 s. 2]*

*Subd. 3. [COPY OF LABEL, AND LABELING MATERIAL.] Application for registration of a specialty fertilizer, a soil amendment, or a plant amendment must include:*

*(1) a label or label facsimile of each product for which registration is requested; and*

*(2) a copy of all labeling material used in this state for promotion and sale of each product being registered. [17.714 s. 3]*

*Subd. 4. [YEARLY REGISTRATION.] A registration is effective until January 1 following the date of issuance or approval. A product registration is not transferable from one person to another or from the ownership to whom the registration is issued to another ownership. [17.714 s. 5]*

## Sec. 35. [18C.615] [FERTILIZER LICENSES.]

*Subdivision 1. [LICENSE REQUIRED.] (a) A person may not sell, distribute, custom apply, or otherwise manipulate fertilizers without obtaining a license from the commissioner from each fixed location where the person does business within the state and one license for all fixed locations that are located outside of the state. [17.715 s. 1, 2]*

*(b) A distributor may not manipulate fertilizer by means of a mobile mechanical unit without a license from the commissioner for each mobile mechanical unit. [17.715 s. 3]*

*Subd. 2. [COPY OF LABEL AND LABELING MATERIAL.] Application for license must include:*

*(1) a designation of the formula such as is provided on an invoice, delivery ticket, label, or label facsimile, for each product manufactured or formulated; and*

*(2) a copy of all labeling material used in this state for promotion of each product manufactured or formulated.*

*Subd. 3. [EFFECTIVE PERIOD.] A license for a retail fertilizer handler is for the period from July 1 to the following June 30 and must be renewed annually by the licensee before July 1. Other licenses are for the period from January 1 to the following December 31 and must be renewed annually by the licensee before January 1. A license is not transferable from one person to another, from the ownership to whom issued to another ownership, or from one location to another location. [17.715 s. 4]*

*Subd. 4. [POSTING OF LICENSE.] The license must be posted in a conspicuous place in each fixed location in this state and accompany each mobile mechanical unit operated in this state. [17.715 s. 5]*

**Sec. 36. [18C.621] [DISTRIBUTOR'S TONNAGE REPORT.]**

*Subdivision 1. [SEMIANNUAL STATEMENT.] (a) Each licensed distributor of fertilizer except a retail fertilizer handler and each registrant of a specialty fertilizer, soil amendment, or plant amendment must file a semiannual statement for the periods ending December 31 and June 30 with the commissioner on forms furnished by the commissioner stating the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed in this state during the reporting period.*

*(b) A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received.*

*(c) The report is due on or before the last day of the month following the close of each reporting period of each calendar year.*

*(d) The inspection fee at the rate stated in section 37, subdivision 6, must accompany the statement. [17.718 s. 1]*

*Subd. 2. [ADDITIONAL REPORTS.] The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state. [17.718 s. 1]*

*Subd. 3. [LATE REPORT AND FEE PENALTY.] (a) If a distributor does not file the semiannual statement or pay the inspection fees by 31 days after the end of the reporting period, the commissioner shall assess a penalty of the greater of \$25 or ten percent of the amount due against the licensee or registrant.*

*(b) The fees due, plus the penalty, may be recovered in a civil action against the licensee or registrant.*

*(c) The assessment of the penalty does not prevent the commissioner from taking other actions as provided in this chapter. [17.718 s. 1]*

*Subd. 4. [RESPONSIBILITY FOR INSPECTION FEES.] If more than one person is involved in the distribution of a fertilizer, soil amendment,*

or plant amendment, the distributor who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer, soil amendment, or plant amendment registered is responsible for the inspection fee on products produced or brought into this state. The distributor must separately list the inspection fee on the invoice to the licensee. The last licensee must retain the invoices showing proof of inspection fees paid for three years and must pay the inspection fee on products brought into this state before July 1, 1989, unless the reporting and paying of fees have been made by a prior distributor of the fertilizer. [17.718 s. 2]

*Subd. 5. [VERIFICATION OF STATEMENTS.] The commissioner may verify the records on which the statement of tonnage is based. [17.718 s. 3]*

**Sec. 37. [18C.625] [REGISTRATION, LICENSE, AND INSPECTION FEES.]**

*Subdivision 1. [APPLICATION FEES.] (a) An application for a retail fertilizer handler's license from each fixed location in the state must be accompanied by a \$25 fee.*

*(b) An application for other licenses for each fixed location to be covered by the license within the state must be accompanied by a \$100 fee.*

*(c) An application for a license for all fixed locations of a firm outside of the state must be accompanied by a fee of \$100.*

*(d) An application for a license to cover mobile mechanical units must be accompanied by a fee of \$100 for the first unit operated by one distributor and \$50 for each additional mobile mechanical unit. [17.717 s. 1]*

*Subd. 2. [SPECIALTY FERTILIZER REGISTRATION.] An application for registration of a specialty fertilizer must be accompanied by a registration fee of \$100 for each brand and grade to be sold or distributed as provided in section 34. [17.717 s. 3]*

*Subd. 3. [SOIL AMENDMENT AND PLANT AMENDMENT REGISTRATION.] An application for registration of a soil amendment or plant amendment must be accompanied by a registration fee of \$200 for each brand sold or distributed as provided in section 34. [17.717 s. 4]*

*Subd. 4. [FEE FOR LATE APPLICATION.] If an application for renewal of a fertilizer license or registration of a specialty fertilizer, soil amendment, or plant amendment is not filed before January 1 or July 1 of a year, as required, an additional application fee of one-half of the amount due must be paid before the renewal license or registration may be issued. [17.717 s. 4a]*

*Subd. 5. [FEE FOR PRODUCT USE WITHOUT INITIAL REGISTRATION OR LICENSE.] An additional application fee equal to the amount due must be paid by an applicant for each license or registration required for products distributed or used in this state before an initial license or registration for the products distributed or used is issued by the commissioner.*

*Subd. 6. [INSPECTION FEES.] A person who sells or distributes fertilizers, soil amendments, or plant amendments in this state must pay an inspection fee amounting to the greater of 15 cents per ton of fertilizer, soil amendment, and plant amendment sold or distributed in this state or \$10. Products sold or distributed to manufacturers or exchanged between*



*them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.* [17.717 s. 5]

#### INDUSTRIAL BY-PRODUCT SOIL BUFFERING MATERIALS

Sec. 38. [18C.701] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 38 to 43.* [17.7241 s. 1]

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.* [17.7241 s. 2]

*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.* [17.7241 s. 3]

*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.* [17.7241 s. 4]

*Subd. 5. [SOIL BUFFERING MATERIALS.] "Soil buffering materials" means materials whose calcium or magnesium or both are capable of neutralizing soil acidity.* [17.7241 s. 5]

*Subd. 6. [STOCKPILE.] "Stockpile" means a supply of agricultural soil buffering material stored for future use.* [17.7241 s. 6]

*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.* [17.7241 s. 7]

Sec. 39. [18C.705] [SOIL BUFFERING DEMONSTRATION PROJECT AND STUDY.]

*Subdivision 1. [PURPOSE.] The purpose of the demonstration project required under sections 38 to 43 is to identify appropriate and mutually beneficial methods for the use of industrial by-product soil buffering materials. Proper use 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.* [17.7242 s. 1]

*Subd. 2. [AUTHORITY.] The commissioner shall coordinate the design and implementation of a demonstration project to examine the technical feasibility, economic benefits, and environmental impacts of using industrial by-product soil buffering materials as a substitute for limestone and other traditional soil buffering materials.* [17.7242 s. 2]

*Subd. 3. [PROCEDURES DEVELOPED.] The demonstration project must 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, they must be provided to the landowner or tenant prior to land application or stockpiling.* [17.7242 s. 3]

*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 use of industrial by-product soil buffering materials*

for agricultural purposes. [17.7242 s. 4]

Sec. 40. [18C.711] [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. [17.7243 s. 1]*

*Subd. 2. [PUBLIC EDUCATION.] The commissioner shall seek to maximize the public education benefit of the demonstration program. [17.7243 s. 2]*

Sec. 41. [18C.715] [ENVIRONMENTAL CONTROLS.]

*Subdivision 1. [SAMPLING AND 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 industrial by-product 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 industrial by-product 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 38 to 43. [17.7244 s. 1]*

*Subd. 2. [RECEIPT AND REPORT ON SAMPLES.] 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. [17.7244 s. 2]*

*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. [17.7244 s. 3]*

Sec. 42. [18C.721] [REPORT.]

*The commissioner shall report to the committees on agriculture of the house of representatives and senate on March 1 of each year, about the activities, findings, and recommendations related to the demonstration*

project. [17.7245]

Sec. 43. [18C.725] [EXEMPTION.]

*Sections 38 to 43 do not apply to industrial by-product soil buffering material produced at a facility if the University of Minnesota, North Central Experimental Station, has conducted a study of the material at that facility. [17.7246]*

Sec. 44. [CROP CONSULTANT CERTIFICATION.]

*The commissioner shall, in consultation with the Minnesota extension service and the consultant community, develop recommendations for a mandatory state crop consultant certification program and report its recommendations to the governor and legislature by November 15, 1990. The program shall include consideration of educational requirements, current professional certification programs, and certification subcategories based on the need for consultant specialization.*

Sec. 45. [FERTILIZER PRACTICES.]

*Subdivision 1. [COMMISSIONER'S DUTIES.] The commissioner shall:*

*(1) establish best management practices and water resources protection requirements involving fertilizer use, distribution, storage, handling, and disposal;*

*(2) cooperate with other state agencies and local governments to protect public health and the environment from harmful exposure to fertilizer; and*

*(3) appoint a task force to study the effects and impact on water resources from nitrogen fertilizer use so that best management practices, a fertilizer management plan, and nitrogen fertilizer use regulations can be developed.*

*Subd. 2. [TASK FORCE.] (a) The task force must include farmers, representatives from farm organizations, the fertilizer industry, University of Minnesota, environmental groups, representatives of local government involved with comprehensive local water planning, and other state agencies, including the pollution control agency, the department of health, the department of natural resources, the state planning agency, and the board of water and soil resources.*

*(b) The task force shall review existing research including pertinent research from the University of Minnesota and shall develop recommendations for a nitrogen fertilizer management plan for the prevention, evaluation, and mitigation of nonpoint source occurrences of nitrogen fertilizer in waters of the state. The nitrogen fertilizer management plan must include components promoting prevention and developing appropriate responses to the detection of inorganic nitrogen from fertilizer sources in ground or surface water.*

*(c) The task force shall report its recommendations to the commissioner by May 1, 1990. The commissioner shall report to the environmental quality board by July 1, 1990, on the task force's recommendations. The recommendations of the task force shall be incorporated into an overall nitrogen plan prepared by the pollution control agency and the department of agriculture.*

Sec. 46. [REPEALER.]

*Minnesota Statutes 1988, sections 17.711; 17.712; 17.713; 17.714; 17.715; 17.7155; 17.716; 17.717; 17.718; 17.719; 17.72; 17.721; 17.722;*

17.723; 17.7241; 17.7242; 17.7243; 17.7244; 17.7245; 17.7246; 17.725; 17.726; 17.727; 17.728; 17.7285; 17.729; and 17.73 are repealed.

*Sections 38 to 43 are repealed June 30, 1991.*

## ARTICLE 8

### CHAPTER 18D

#### AGRICULTURAL CHEMICAL INCIDENT RESPONSE FUND

Section 1. [18D.01] [CITATION.]

*This chapter may be cited as the agricultural chemical incident response fund.*

Sec. 2. [18D.02] [DEFINITIONS.]

*Subdivision 1. [DEFINITIONS IN CHAPTER 18B AND 18C APPLY.] The definitions contained in chapters 18B and 18C apply to this chapter.*

*Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" means pesticide, fertilizer, plant amendment, or soil amendment.*

*Subd. 3. [FUND.] "Fund" means the agricultural chemical incident response fund.*

*Subd. 4. [ELIGIBLE PERSON.] "Eligible person" means a responsible party or an owner of real property.*

*Subd. 5. [WHOLESALE SALE.] "Wholesale sale" means a sale of agricultural chemicals to a retailer, or to a person or entity who applies the agricultural chemical if the agricultural chemical is not bought from a retailer.*

Sec. 3. [18D.03] [AGRICULTURAL CHEMICAL INCIDENT RESPONSE FUND.]

*Subdivision 1. [ESTABLISHMENT.] (a) The agricultural chemical incident fund is established as a fund in the state treasury.*

*(b) The fund consists of an incident response account and a response reimbursement account.*

*Subd. 2. [INCIDENT RESPONSE ACCOUNT.] (a) Money in the incident response account may only be used for:*

*(1) payment to the commissioner of finance to credit the response account in the environmental response, compensation, and compliance fund under section 115B.20, subdivision 1;*

*(2) to pay for the commissioner's responses to incidents under chapters 18B and 18C that are not eligible for payment under section 115B.20, subdivision 2; and*

*(3) to pay for emergency responses that are otherwise unable to be funded.*

*(b) Money in the incident response account is appropriated to the commissioner to make payments as provided in this subdivision.*

*Subd. 3. [INCIDENT RESPONSE FEE.] (a) The commissioner shall impose an incident response fee on registration of pesticides under chapter 18B and registration of fertilizers, plant amendments, and soil amendments under chapter 18C. For fertilizers that are not registered under chapter*

18C, an incident response fee shall be imposed on each brand or grade of fertilizer, soil amendment, or plant amendment distributed in the state and required to be listed on a licensee's tonnage report under chapter 18C. The commissioner shall charge the incident response fee as part of the registration fee of the agricultural chemicals. The commissioner shall determine the amount of the incident response fee, notwithstanding section 16A.128, based on:

(1) the amount needed to reimburse the response account of the environmental response, compensation, and compliance fund under section 115B.20, subdivision 1;

(2) the amount needed to maintain an emergency response balance in the account of \$1,000,000;

(3) the amount estimated to be needed for responses to incidents as provided in subdivision 2, clause (2); and

(4) for the amount of the incident response fee charged for each agricultural chemical registered, the amount of active ingredients of the agricultural chemical used in this state as determined by the commissioner, but the incident response fee charged may not be less than \$25 per agricultural chemical or more than \$3,000, except the incident response fee may exceed \$3,000 for agricultural chemicals containing a substance for which the United States Environmental Protection Agency has announced a health advisory in the federal register.

(b) Money from the incident response fee shall be deposited in the fund and credited to the incident response account.

Subd. 4. [RESPONSE REIMBURSEMENT ACCOUNT.] Money in the response reimbursement account may only be used for reimbursement or payment of the reasonable and necessary costs incurred by a responsible party taking a corrective action as provided under section 4.

Subd. 5. [RESPONSE REIMBURSEMENT FEE.] (a) A response reimbursement fee is imposed on the weight or volume of agricultural chemicals sold by wholesale sales to a person or other entity in this state. The commissioner must determine the amount of fee, notwithstanding section 16A.128, based on:

(1) the amount needed for reimbursement of response costs under section 4; and

(2) the amount needed to maintain a minimum balance in the account of \$1,000,000.

(b) The commissioner shall set the response reimbursement fee on an annual basis as a rate per weight or volume of agricultural chemical sold. The rate shall be based on the amount of active ingredients in the agricultural chemical. The response reimbursement fee may not be less than \$25 for each agricultural chemical sold by a person or entity at wholesale or more than \$3,000, except the response reimbursement fee may exceed \$3,000 for an agricultural chemical containing a substance for which the United States Environmental Protection Agency has announced a health advisory in the federal register.

(c) The commissioner must reduce or eliminate the response reimbursement fee if the balance in the account exceeds \$5,000,000.

*(d) The commissioner of revenue shall collect the response reimbursement fee on a quarterly basis and has the collection and enforcement authority to collect the fee as if it were a tax under chapter 297 or 297A.*

*(e) The money collected from the response reimbursement fee shall be deposited in the fund and credited to the incident reimbursement account.*

*Subd. 6. [REVENUE SOURCES.] (a) Revenue from the following sources must be deposited in the state treasury and credited to the fund:*

*(1) the proceeds of the fees imposed by subdivisions 3 and 5;*

*(2) money recovered by the state for expenses paid with money from the fund excluding reimbursements to the environmental response, compensation, and compliance fund under section 115B.20, subdivision 4, clause 4;*

*(3) interest attributable to investment of money in the fund; and*

*(4) money received by the commissioner in the form of gifts, grants other than federal grants, reimbursements, and appropriations from any source intended to be used for the purposes of the fund.*

*(b) Money deposited in the fund shall be credited to the incident response account except for money collected from the response reimbursement fee under subdivision 5 and money recovered relating to response reimbursement payments under section 4, subdivision 6.*

**Sec. 4. [18D.04] [REIMBURSEMENT OR PAYMENT OF RESPONSE COSTS.]**

*Subdivision 1. [REIMBURSEMENT OF RESPONSE COSTS.] The commissioner shall reimburse an eligible person from the response reimbursement account for the reasonable and necessary costs incurred by the eligible person in taking corrective action as provided in subdivision 4, if the commissioner determines:*

*(1) the eligible person complied with corrective action orders issued to the eligible person by the commissioner; and*

*(2) the incident was reported as required in chapters 18B and 18C.*

*Subd. 2. [PAYMENT OF CORRECTIVE ACTION COSTS.] (a) On request by an eligible person, the commissioner may pay the eligible person for the reasonable and necessary cash disbursements for corrective action costs incurred by the eligible person as provided under subdivision 4 if the commissioner determines:*

*(1) the eligible person pays the first \$1,000 of the corrective action costs;*

*(2) the eligible person provides the commissioner with a sworn affidavit and other convincing evidence that the eligible person is unable to pay additional corrective action costs;*

*(3) the eligible person continues to assume responsibility for carrying out the requirements of corrective action orders issued to the eligible person or at once in effect; and*

*(4) the incident was reported as required in chapters 18B and 18C.*

*(b) An eligible person is not eligible for payment or reimbursement and must refund amounts paid or reimbursed by the commissioner if false*

*statements or misrepresentations are made in the affidavit or other evidence submitted to the commissioner to show an inability to pay corrective action costs.*

*Subd. 3. [PARTIAL REIMBURSEMENT.] If the commissioner determines that an incident was caused in part, but not entirely by a violation of chapter 18B or 18C, the commissioner shall reimburse or pay the corrective action costs of the eligible person based on the culpability of the eligible person and the percentage of the costs not attributable to the violation.*

*Subd. 4. [REIMBURSEMENT PAYMENTS.] (a) The commissioner shall pay a person that is eligible for reimbursement or payment under subdivisions 1, 2, and 3 from the response reimbursement account for:*

*(1) 80 percent of the total reasonable and necessary corrective action costs greater than \$1,000 and less than \$100,000; and*

*(2) 100 percent of the total reasonable and necessary corrective action costs equal to or greater than \$100,000 but less than \$250,000.*

*(b) A reimbursement or payment may not be made until the commissioner has determined that the costs are reasonable and for a reimbursement that the costs were actually incurred.*

*(c) Money in the response reimbursement account is appropriated to the commissioner to make payments and reimbursements under this subdivision.*

*Subd. 5. [REIMBURSEMENT OR PAYMENT DECISIONS.] (a) The commissioner must issue an order granting or denying a request within 30 days following a request for reimbursement or for payment under subdivisions 1, 2, or 3.*

*(b) After an initial request is made for reimbursement notwithstanding subdivisions 1 to 4, the commissioner may deny additional requests for reimbursement.*

*(c) If a request is denied, the eligible person may appeal the decision as a contested case hearing under chapter 14.*

*Subd. 6. [SUBROGATION.] (a) If a person other than a responsible party is paid or reimbursed from the response reimbursement account as a condition of payment or reimbursement, the state is subrogated to the rights of action the person paid or reimbursed has against the responsible party. The commissioner shall collect the amounts from the responsible party and on request of the commissioner the attorney general shall bring an action to enforce the collection.*

*(b) Amounts collected under this subdivision must be deposited in the agriculture chemical incident response fund and credited to the response reimbursement account.*

**Sec. 5. [REIMBURSEMENT FOR INCIDENTS BEFORE THE EFFECTIVE DATE OF THIS ACT.]**

*(a) A responsible party in a pesticide or fertilizer incident which occurred before June 30, 1989, must be reimbursed for such costs as provided for under section 4, subdivision 4, if the person:*

*(1) has been issued a response order, remedial action, or other order by the commissioner;*

- (2) *has entered into any response order by consent with the commissioner;*
- (3) *has incurred costs associated with that response; and*
- (4) *qualifies for reimbursement under section 4, subdivision 1.*

Sec. 6. Minnesota Statutes 1988, section 115B.20, is amended to read:  
 115B.20 [ENVIRONMENTAL RESPONSE, COMPENSATION AND COMPLIANCE FUND.]

Subdivision 1. [ESTABLISHMENT.] (a) The environmental response, compensation and compliance fund is created as an account in the state treasury and may be spent only for the purposes provided in subdivision 2.

(b) *The commissioner of finance shall administer a response account in the fund for the agency and the commissioner of agriculture to take removal, response, and other actions authorized under subdivision 2, clauses (1) to (4). Money deposited in the fund under subdivision 4, clauses (1) to (4), must be credited to the account. The commissioner of finance shall allocate money from the account to the agency and the commissioner of agriculture to take actions required under subdivision 2, clauses (1) to (4).*

(c) *The commissioner of finance shall annually determine:*

(1) *the amount of allocations made to the agency and to the commissioner of agriculture that are not reimbursed and will probably not be reimbursed;*

(2) *the percentage of nonreimbursed allocations made to the agency that has been paid for by the hazardous waste generator's tax under section 115B.22; and*

(3) *the amount if the percentage determined under clause (2) were multiplied times the nonreimbursed allocations made to the commissioner of agriculture.*

(d) *The commissioner of finance must notify the commissioner of agriculture of the amount determined in paragraph (c), clause (3), and the commissioner of agriculture must pay the amount from the incident response account from fees generated from the incident response fee on registration fees for agricultural chemicals under section 3.*

(e) *The commissioner of finance shall administer the account in a manner that allows the commissioner of agriculture and the agency to utilize the money in the account to implement their removal and remedial action duties as effectively as possible.*

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Subject to appropriation by the legislature the money in the fund may be spent for any of the following purposes:

~~(a)~~ (1) *preparation by the agency and the commissioner of agriculture for taking removal or remedial action under section 115B.17, or under chapter 18B or 18C, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18, or chapter 18B or 18C;*

~~(b)~~ (2) *removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17, or taken or authorized by the commissioner of agriculture under chapter*



18B or 18C including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18B or 18C, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

(e) (3) reimbursement to any private person for expenditures made before July 1, 1983 to provide alternative water supplies deemed necessary by the agency or the commissioner of agriculture and the department of health to protect the public health from contamination resulting from the release of a hazardous substance;

(d) (4) removal and remedial actions taken or authorized by the agency or the commissioner of agriculture or the pollution control agency under section 115B.17, or chapter 18B or 18C, including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18B or 18C, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(e) (5) compensation as provided by law, after submission by the waste management board of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;

(f) (6) planning and implementation by the commissioner of natural resources of the rehabilitation, restoration or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;

(g) (7) inspection, monitoring and compliance efforts by the agency, or by political subdivisions with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;

(h) (8) grants by the agency or the waste management board to demonstrate alternatives to land disposal of hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;

(i) (9) intervention and environmental mediation by the legislative commission on waste management under chapter 115A; and

(j) (10) grants by the agency to study the extent of contamination and feasibility of cleanup of hazardous substances and pollutants or contaminants in major waterways of the state.

Subd. 3. [LIMIT ON CERTAIN EXPENDITURES.] The commissioner of agriculture or the pollution control agency or the agency may not spend any money under subdivision 2, clause (b) (2) or (d) (4) for removal or remedial actions to the extent that the costs of those actions may be compensated from any fund established under the Federal Superfund Act, United States Code, title 42, section 9600 et seq. The commissioner of agriculture or the pollution control agency or the agency shall determine the extent to which any of the costs of those actions may be compensated under the

federal act based on the likelihood that the compensation will be available in a timely fashion. In making this determination the commissioner of agriculture or the pollution control agency or the agency shall take into account:

(a) (1) the urgency of the removal or remedial actions and the priority assigned under the Federal Superfund Act to the release which necessitates those actions;

(b) (2) the availability of money in the funds established under the Federal Superfund Act; and

(c) (3) the consistency of any compensation for the cost of the proposed actions under the Federal Superfund Act with the national contingency plan, if such a plan has been adopted under that act.

Subd. 4. [REVENUE SOURCES.] Revenue from the following sources shall be deposited in the environmental response, compensation and compliance fund:

(a) (1) the proceeds of the taxes imposed pursuant to section 115B.22, including interest and penalties;

(b) (2) all money recovered by the state under sections 115B.01 to 115B.18 or under any other statute or rule related to the regulation of hazardous waste or hazardous substances, including civil penalties and money paid under any agreement, stipulation or settlement but excluding fees imposed under section 116.12;

(3) an amount from the agricultural incident response account equivalent to the amount contributed under clause (1) that is used for removal and remedial actions under subdivision 2, clauses (1) to (4), as provided in subdivision 1, paragraph (d);

(4) recovered by the state under chapter 18B or 18C for removal or remedial actions that are recoverable under this chapter;

(e) (5) all interest attributable to investment of money deposited in the fund; and

(d) (6) all money received in the form of gifts, grants, reimbursement or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Subd. 5. [RECOMMENDATION BY LCWM.] The legislative commission on waste management and the commissioner of agriculture shall make recommendations to the standing legislative committees on finance and appropriations regarding appropriations from the fund.

Subd. 6. [REPORT TO LEGISLATURE.] ~~By November 1, 1984, and~~ Each year thereafter, the commissioner of agriculture and the agency shall submit to the senate finance committee, the house appropriations committee and the legislative commission on waste management a report detailing the activities for which money from the environmental response, compensation and compliance fund has been spent during the previous fiscal year.

Sec. 7. [REVIEW OF PRIORITIES LIST.]

The commissioner of agriculture in consultation with the pollution control agency shall review the priorities list under section 115B.17, subdivision 13, and evaluate the appropriateness of the ranking criteria for

agricultural chemical releases, and how groundwater in the state is protected from agricultural chemical releases based on the priorities and use of the fund. The commissioner of agriculture shall prepare a report and submit it to the legislature by January 1, 1990.

ARTICLE 9

APPROPRIATION

Section 1. [APPROPRIATION.]

Subdivision 1. [BOARD OF WATER AND SOIL RESOURCES.] \$ . . . . . is appropriated from the general fund to the board of water and soil resources for the following purposes:

- (a) Financial and technical assistance to public water supplies to delineate groundwater protection areas \$ . . . . .
  - (b) Protection of groundwater recharge areas by conservation easements and limited easements \$ . . . . .
  - (c) Local water resources protection and management program \$ . . . . .
  - (d) Well sealing cost share program \$ . . . . .
- The complement of the board of water and soil resources is increased by . . . positions.
- (e) For adoption, administration, and enforcement of shoreland ordinances \$ . . . . .
  - (f) For development and implementation of comprehensive lake or river management strategies \$ . . . . .

Subd. 2. [COMMISSIONER OF AGRICULTURE.] \$ . . . . . is appropriated from the general fund to the commissioner of agriculture for the following purposes:

- (a) Development and implementation of pesticide management plan \$ . . . . .
  - (b) Agricultural chemical revolving loan fund \$ . . . . .
  - (c) Development and adoption of agriculture best management practices for agricultural chemicals and practices \$ . . . . .
  - (d) Establishment and management of waste pesticide program \$ . . . . .
  - (e) Sustainable agriculture research and practices \$ . . . . .
  - (f) Groundwater quality monitoring program \$ . . . . .
- The complement of the department of agriculture is increased by . . . positions.

Subd. 3. [COMMISSIONER OF HEALTH.] \$ . . . . . is appropriated from the general fund to the commissioner of health for the following purposes:

- (a) *Setting recommended allowable levels for pollutants* \$ . . . . .
  - (b) *Adoption of guidelines for protection of potable groundwater supplies* \$ . . . . .
  - (c) *Development and implementation of wellhead protection program* \$ . . . . .
  - (d) *Emergency well sealing* \$ . . . . .
- The complement of the department of health is increased by . . . positions.*

*Subd. 4. [COMMISSIONER OF NATURAL RESOURCES.] \$ . . . . . is appropriated from the general fund to the commissioner of natural resources for the following purposes:*

- (a) *For developing and publishing geological atlases* \$ . . . . .
- (b) *For conducting and preparing maps of subregional hydrogeological surveys* \$ . . . . .

*Subd. 5. [ENVIRONMENTAL EDUCATION BOARD.] \$ . . . . . is appropriated from the general fund to the environmental education board to develop environmental education materials and curricula.*

*Subd. 6. [ENVIRONMENTAL QUALITY BOARD.] \$ . . . . . is appropriated from the general fund to the environmental quality board for the following purposes:*

- (a) *For designation and adoption of sensitive areas* \$ . . . . .
- (b) *For report on statewide research needs and coordination of data* \$ . . . . .

*Subd. 7. [POLLUTION CONTROL AGENCY.] \$ . . . . . is appropriated from the general fund to the pollution control agency for the following purposes:*

- (a) *For development of best management practices* \$ . . . . .
  - (b) *For clean water partnership grants* \$ . . . . .
- The complement of the pollution control agency is increased by . . . positions.*

*Subd. 8. [UNIVERSITY OF MINNESOTA.] \$ . . . . . is appropriated from the general fund to the University of Minnesota for the following purposes:*

- (a) *For environmental agriculturalist specialists in the Minnesota extension service* \$ . . . . .
- (b) *For the Minnesota geological survey for geological atlases and subregional hydrogeological surveys* \$ . . . . .
- (c) *For the agricultural experiment station for positions to oversee soil and water extraction processes, to plan and maintain plots, chemical management, herbicides, soil and water, and computer information* \$ . . . . .

*Subd. 9. [RESPONSE REIMBURSEMENT ACCOUNT.] \$ . . . . . is*

*appropriated from the general fund to the response reimbursement account to reimburse incidents occurring after July 1, 1987, and before June 30, 1989, under article 8, section 5."*

Delete the title and insert:

"A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; establishing a legislative commission on water; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating water conservation, water appropriations, and setting fees; establishing regulations, enforcing violations, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 5, 12, 15, 19, 21, 26, 29, and by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 18B.07, subdivisions 2, 3, 4, and 6; 18B.08, subdivisions 1, 3, and 4; 18B.17, subdivision 2; 18B.18; 18B.20, subdivisions 1, 2, and 3; 18B.21; 18B.25, by adding a subdivision; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3 and 7; 18B.34, subdivisions 1, 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, 3, and 4; 40.42, by adding a subdivision; 40.43, subdivisions 2 and 6; 105.41, subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 105.418; 110B.04, subdivision 6; 115B.20; 116C.41, subdivision 1; 116E.02; 116E.03; 144.381; 144.382, subdivision 1, and by adding a subdivision; and 473.877, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.15; 18B.16; 18B.19; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11."

And when so amended the bill do pass and be re-referred to the Committee on Agriculture and Rural Development. Mr. Berg 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 and Rural Development, to which was referred

S.F No. 1047: A resolution memorializing the President and the Congress of the United States to raise the Commodity Credit Corporation loan rate to target price levels to achieve the needed Agriculture budget reductions.

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

Page 1, line 13, delete "marked" and insert "market"

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1075: A bill for an act relating to education; allowing school districts to be considered providers under the state medical assistance plan; 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. [124.90] [MEDICAL ASSISTANCE PAYMENTS TO SCHOOL DISTRICTS.]

*Subdivision 1. [ELIGIBILITY.] A school district may enroll as a provider in the medical assistance program and receive medical assistance payments for covered special education services provided to persons eligible for medical assistance under chapter 256B. To receive medical assistance payments, the school district must comply with relevant provisions of state and federal statutes and regulations governing the medical assistance program.*

*Subd. 2. [FUNDING.] A school district that provides a covered service to an eligible person and complies with relevant requirements of the medical assistance program shall be entitled to receive payment for the service provided, including that portion of the payment that will subsequently be reimbursed by the federal government, in the same manner as other medical assistance providers. The school district is not required to provide matching funds or pay part of the costs of the service, as long as the rate charged for the service does not exceed medical assistance limits that apply to all medical assistance providers.*

*Subd. 3. [CONTRACT FOR SERVICES.] A school district may contract for the provision of medical assistance-covered services, and may contract with a third party agency to assist in administering and billing for these services.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective July 1, 1989.”*

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. 796: 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.

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 1988, section 125.12, subdivision 8, is amended to read:

*Subd. 8. [IMMEDIATE DISCHARGE.] A school board may discharge a continuing-contract teacher, effective immediately, upon any of the following grounds:*

- (a) Immoral conduct, insubordination, or conviction of a felony;
- (b) Conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties;
- (c) Failure without justifiable cause to teach without first securing the written release of the school board;
- (d) Gross inefficiency which the teacher has failed to correct after reasonable written notice;
- (e) Willful neglect of duty; or
- (f) Continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 7; or
- (g) *Violation of section 3.*

Prior to discharging a teacher the board shall notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. The board may, however, suspend a teacher with pay pending the conclusion of such hearing and determination of the issues raised therein after charges have been filed which constitute ground for discharge.

Sec. 2. Minnesota Statutes 1988, section 125.17, subdivision 4, is amended to read:

Subd. 4. [GROUNDS FOR DISCHARGE OR DEMOTION.] Causes for the discharge or demotion of a teacher either during or after the probationary period shall be:

- (1) Immoral character, conduct unbecoming a teacher, or insubordination;
- (2) Failure without justifiable cause to teach without first securing the written release of the school board having the care, management, or control of the school in which the teacher is employed;
- (3) Inefficiency in teaching or in the management of a school;
- (4) Affliction with active tuberculosis or other communicable disease shall be considered as cause for removal or suspension while the teacher is suffering from such disability; or
- (5) Discontinuance of position or lack of pupils; or
- (6) *Violation of section 3.*

Sec. 3. [127.45] [CORPORAL AND OTHER PUNISHMENTS PROHIBITED.]

*Subdivision 1. [DEFINITION.] For the purpose of this section, "corporal punishment" means conduct involving:*

- (1) *hitting or spanking a person with or without an object; or*
- (2) *unreasonable physical force that causes bodily harm or substantial emotional harm.*

*Subd. 2. [PROHIBITION.] An employee or agent of a public school district shall not inflict corporal punishment or cause corporal punishment to be inflicted upon a pupil to reform unacceptable conduct or as a penalty for unacceptable conduct."*

Amend the title as follows:

Page 1, line 3, delete “providing for civil liability” and insert “amending Minnesota Statutes 1988, sections 125.12, subdivision 8; and 125.17, subdivision 4;”

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. 1145: A bill for an act relating to the education code; revising the text of certain chapters of the code without changing their meaning; amending Minnesota Statutes 1988, chapters 128; 128A; 128B; and 129; repealing Minnesota Statutes 1988, sections 128.04; 128.06; 128.069; 128A.04; 129.02; and 129.05 to 129.10.

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

Page 6, line 33, after “*money*” insert a comma

Page 6, line 34, after “*property*” insert a comma

Page 10, line 24, delete “*parents*” and insert “*parent or guardian*”

Page 19, line 14, strike “committee” and after the stricken “shall” insert “*council*”

Page 20, line 29, reinstate the stricken “to”

Page 20, line 30, delete “. *The agreement must be to*”

Page 25, line 36, delete “*get into*” and insert “*join*”

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. 809: A bill for an act relating to juveniles; including emotionally abused children among children in need of protection or services; amending Minnesota Statutes 1988, section 260.015, subdivision 2a, and by adding a subdivision.

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

Page 3, line 3, delete “*or*” and insert a comma

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. 525: A bill for an act relating to nonprofit corporations; providing for the organization, operation, and dissolution of nonprofit corporations; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 8.31, subdivision 1; 79A.09, subdivision 1; 257.03; 309.67; 319A.20; 354A.021, subdivision 2; and 469.144, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 317A; repealing Minnesota Statutes 1988, sections 317.01 to 317.69.



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

Page 2, line 21, delete "and" and insert ". A corporation may not"

Page 2, line 22, delete "is" and insert "be" and delete "not"

Page 2, line 25, delete "pays no" and insert "pay"

Page 3, line 14, delete "a shareholder of or"

Page 4, delete lines 15 to 19 and insert:

"Subd. 18. [RELATED ORGANIZATION.] "*Related organization*" means an organization that controls, is controlled by, or is under common control with, another corporation. Control exists if an organization:

(1) owns, directly or indirectly, at least 50 percent of the stock ownership or membership interests of another organization;

(2) has the right, directly or indirectly, to elect, appoint, or remove 50 percent or more of the voting members of the governing body of another organization; or

(3) has the power, directly or indirectly, to direct or cause the direction of the management and policies of another organization, whether through the ownership of voting interests, by contract, or otherwise."

Page 9, line 35, delete "chief executive officer and chief financial"

Page 9, line 36, delete "officer" and insert "president and treasurer"

Page 11, line 11, delete "chief executive officer" and insert "president"

Page 23, line 1, delete "corporation" and insert "organization"

Page 29, line 12, after "corporation" insert a comma

Page 34, line 15, after the comma, insert "or between its director and a related organization,"

Page 35, line 22, delete "corporations" and insert "organizations"

Page 36, line 35, delete "chief executive"

Page 36, line 36, delete "officer and chief financial officer" and insert "president and treasurer"

Page 37, line 5, delete "chief executive officer and chief financial officer" and insert "president and treasurer"

Page 37, line 7, delete "CHIEF EXECUTIVE OFFICER" and insert "PRESIDENT" and delete "chief executive"

Page 37, line 8, delete "officer" and insert "president"

Page 37, line 25, delete "CHIEF FINANCIAL OFFICER" and insert "TREASURER" and delete "chief financial"

Page 37, line 26, delete "officer" and insert "treasurer"

Page 37, line 36, delete "chief executive officer" and insert "president"

Page 38, line 1, delete "chief financial"

Page 38, line 2, delete "officer" and insert "treasurer"

Page 38, lines 4 and 24, delete "chief executive officer" and insert

“*president*”

Page 38, line 24, delete “*chief financial officer*” and insert “*treasurer*”

Page 39, line 11, delete “*chief*”

Page 39, line 12, delete “*executive officer or chief financial officer*” and insert “*president or treasurer*”

Page 40, line 32, after “*fixed*” insert “*or limited*”

Page 40, line 33, after “*of*” insert “*members or*” and after “*classes*” insert “*of members*”

Page 43, line 17, delete “*chief executive officer or the chief financial officer*” and insert “*president or the treasurer*”

Page 44, line 2, delete “*chief executive officer and chief financial officer*” and insert “*president and treasurer*”

Page 44, line 18, delete “*chief executive officer*” and insert “*president*”

Page 44, line 19, delete “*chief financial officer*” and insert “*treasurer*”

Page 44, line 31, delete “*chief executive*”

Page 44, line 32, delete “*officer*” and insert “*president*”

Page 45, line 18, delete “*or the attorney general,*”

Page 45, line 23, delete the comma and insert “*or*”

Page 45, line 24, delete “*, or the attorney general,*”

Page 54, line 21, delete “*may*”

Page 54, line 24, after the comma, insert “*or by the attorney general, may*”

Page 54, line 25, delete “*attorneys*” and insert “*attorney*”

Page 54, line 36, delete “*corporation*” and insert “*organization*”

Page 55, lines 6 and 14, delete the second “*corporation*” and insert “*organization*”

Page 56, line 32, delete the second “*corporation*” and insert “*organization*”

Page 76, line 4, delete “*attorneys*” and insert “*attorney*”

Page 76, line 8, delete “*or*” and insert “*of the dissolving corporation or the rules or canons of*”

Page 77, line 14, delete “*and*” and insert a comma

Page 77, line 15, before the semicolon, insert “*, and the corporation or the parties have not provided for a procedure to resolve the dispute*”

Page 84, line 20, before “*The*” insert “*Except as provided in subdivision 6,*”

Page 85, after line 20, insert:

“*Subd. 6. [EXCEPTION.] Subdivisions 1 to 4 do not apply to a merger with, consolidation into, or transfer of assets to a corporation described in subdivision 1, clause (2), or to a transfer of assets to an organization recognized as exempt under section 501(c)(3) of the Internal Revenue Code of 1986, or any successor section. A corporation that is exempt under this*

*subdivision shall send a copy of the certificate of merger or certificate of consolidation and incorporation to the attorney general."*

Page 88, line 24, delete everything after "if" and insert "the information on"

Page 88, line 26, after "sections" insert a comma

Page 88, line 27, delete the first "the" and insert "equivalent"

Page 97, line 13, delete "317A.251" and insert "45"

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. 462: A bill for an act relating to judicial procedure; clarifying and recodifying tax court powers and procedures; making technical corrections and eliminating redundant and unnecessary language and obsolete references; amending Minnesota Statutes 1988, sections 270.07, subdivision 1; 270.10, by adding a subdivision; 271.01, subdivisions 1 and 5; 271.02; 271.04; 271.06, subdivisions 1, 2, 3, and 7; 271.061; 271.07; 271.13; 271.15; 271.17; 271.18; 271.21, subdivisions 2 and 10; 277.011, subdivision 7; 278.01, subdivision 1; 278.02; 278.05, subdivision 4; and 278.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1988, sections 271.01, subdivision 6; 271.21, subdivision 4; and 271.22.

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

Page 1, line 20, after "not" insert ", for a period of one year after the term of office has ended or employment has terminated."

Page 1, line 22, delete "for a"

Page 1, delete line 23

Page 1, line 24, delete everything before the period

Page 3, line 5, delete "shall" and insert "may"

Page 3, line 11, delete "shall also have" and insert "has"

Page 3, line 17, delete "shall"

Page 4, line 15, delete "shall" and insert "must"

Page 4, line 31, delete "shall be"

Page 4, line 32, delete "considered" and insert "is"

Page 5, line 10, delete "shall" and insert "must"

Page 11, line 7, delete everything after "rules"

Page 11, line 8, delete the first "rules" and delete "sections 14.29 to 14.36" and insert "chapter 14"

Pages 11 and 12, delete section 14

Page 15, line 32, delete "shall" and insert "must"

Page 18, lines 20 and 30, delete "shall" and insert "must"

Page 18, after line 30, insert:

“Sec. 26. Minnesota Statutes 1988, section 297.43, subdivision 1, is amended to read:

Subdivision 1. [PENALTY ON UNPAID TAX.] If a tax imposed by this chapter, or any part of it, is not paid within the time required for the payment, or an extension of time, or within 30 days after final determination of an appeal to the tax court relating to it ~~if the taxpayer is not required to pay the amount in dispute pending appeal under section 271.061,~~ there shall be added to the tax a penalty equal to three percent of the amount remaining unpaid if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction thereof, not exceeding 24 percent in the aggregate.

Sec. 27. Minnesota Statutes 1988, section 297C.14, subdivision 1, is amended to read:

Subdivision 1. [PENALTY ON UNPAID TAX.] If a tax imposed by this chapter, or any part of it, is not paid within the time required for the payment, or an extension of time, or within 30 days after final determination of an appeal to the tax court relating to it ~~if the taxpayer is not required to pay the amount in dispute pending appeal under section 271.061,~~ there shall be added to the tax a penalty equal to three percent of the amount remaining unpaid if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax unpaid during each additional 30 days or fraction thereof, not exceeding 24 percent in the aggregate.”

Page 18, line 32, before “Minnesota” insert “(a)”

Page 18, after line 33, insert:

“(b) Minnesota Statutes 1988, sections 60A.151 and 271.061, are repealed.

Sec. 29. [EFFECTIVE DATE.]

*Section 28, paragraph (b), is effective the day following final enactment and applies to appeals pending before the tax court and appeals filed on or after that date.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, before “and” insert “, modifying.”

Page 1, line 9, delete “271.061;”

Page 1, line 12, delete “and” and after the second semicolon, insert “297.43, subdivision 1; and 297C.14, subdivision 1;”

Page 1, line 15, after “sections” insert “60A.151;” and after “6;” insert “271.061;”

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. 712: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Pine 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. 661: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Aitkin 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. 1271: A resolution memorializing the President and Congress to address problems in the solid waste stream caused by the amount and types of materials used to package consumer products.

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

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

S.F. No. 453: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Anoka county.

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

Page 1, line 15, after the period, insert "*For the land described in paragraph (c), clauses (3), (8), and (9), the deed issued by the commissioner of revenue must be subject to conservation easements. With regard to clause (3), the conservation easement shall apply only to the north 360 feet of the described parcel.*"

Page 2, line 10, after the second "*the*" insert "*west*"

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. 1269: A bill for an act relating to gambling; video games of chance; prohibiting cash awards; requiring notice to the public and to employees of the consequences of participating in cash awards; prescribing a penalty; amending Minnesota Statutes 1988, sections 349.51, subdivision 2; 349.53; and 349.56; proposing coding for new law in Minnesota Statutes, chapter 349.

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

Page 1, lines 12 and 22, delete “operator’s” and insert “owner’s”

Page 1, line 19, delete “operator” and insert “owner”

Page 1, line 26, delete “GROSS” and after “awards” insert “or receives”

Page 2, line 1, delete “gross” and delete “operator” and insert “owner”

Page 2, line 5, delete “SENTENCE” and insert “PENALTY”

Page 2, line 7, delete everything after the first “of” and insert “\$700.”

Page 4, after line 12, insert:

“Sec. 6. [EFFECTIVE DATE.]

*Section 2 is effective August 1, 1989, and applies to crimes committed on or after that date.”*

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. 858: A bill for an act relating to health; authorizing community health boards to establish health promotion teams; prescribing duties; authorizing the commissioner of health to fund these teams; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145A.

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 1988, section 145A.10, is amended by adding a subdivision to read:

*Subd. 5a. [HEALTH PROMOTION TEAM.] (a) The community health board may establish a community-based health promotion team made up of representatives of business and industry, public health, labor, voluntary agencies, hospitals, medical clinics, churches, media, schools, civic groups, local government and elected officials, nursing homes, consumers, and others as appropriate.*

*(b) A community-based health promotion team shall:*

*(1) collect and summarize community health data relating to behavioral risk factors such as smoking, consumption of alcoholic beverages, and poor nutrition habits;*

*(2) identify, rank, and prioritize lifestyle-based health problems;*

*(3) develop strategies to address health promotion concerns;*

*(4) implement a five-year health promotion plan that includes an annual evaluation component and establish a mechanism for program maintenance following completion of the plan;*

*(5) design and implement a “healthy messages” media plan; and*

*(6) seek grants and other funding from foundations, educational institutions, and other nonprofit entities.*

*(c) Within the limit of available appropriations, the commissioner may*

*grant money to a community health board to enable the board to establish a community-based health promotion team. The commissioner shall monitor the activities of teams under this section and report to the legislature by January 1, 1991, on the teams' operation and progress."*

Delete the title and insert:

"A bill for an act relating to health; authorizing community health boards to establish community-based health promotion teams; prescribing duties; amending Minnesota Statutes 1988, section 145A.10, 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. 1154: A bill for an act relating to health; requiring a fee for an application for a home care provider license; authorizing the commissioner to seek injunctive relief and use subpoenas in regulating home care providers; imposing requirements for disclosure of criminal convictions by home care providers; imposing a penalty for providing home care without a license; requiring public members in the mortuary science advisory council; allowing use of a trainee's name in the advertising or title of a funeral establishment; establishing a hearing instrument security fund; establishing a human services occupational account; amending Minnesota Statutes 1988, sections 144A.45, subdivision 2; 144A.46; 149.02; 149.06; and 153A.13, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 145; and 214; repealing Minnesota Statutes 1988, section 153A.16.

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

Page 1, after line 25, insert:

"Sec. 2. Minnesota Statutes 1988, section 144.698, subdivision 1, is amended to read:

Subdivision 1. [YEARLY REPORTS.] Each hospital and each outpatient surgical center, which has not filed the financial information required by this section with a voluntary, nonprofit reporting organization pursuant to section 144.702, shall file annually with the commissioner of health after the close of the fiscal year:

(a) (1) a balance sheet detailing the assets, liabilities, and net worth of the hospital;

(b) (2) a detailed statement of income and expenses;

(c) (3) a copy of its most recent cost report, if any, filed pursuant to requirements of Title XVIII of the United States Social Security Act; and

(d) (4) a copy of all changes to articles of incorporation or bylaws;

(5) information on services provided to benefit the community, including services provided at no cost or for a reduced fee to patients unable to pay, teaching and research activities, or other community or charitable activities;

(6) information required on the revenue and expense report form set in

*effect on July 1, 1989; and*

*(7) other information required by the commissioner in rule.*

Sec. 3. Minnesota Statutes 1988, section 144.701, subdivision 3, is amended to read:

Subd. 3. [RATE SCHEDULE.] The commissioner of health shall obtain from each hospital and outpatient surgical center a current rate schedule. Any subsequent amendments or modifications of that schedule shall be filed with the commissioner of health ~~at least 60 days in advance of on or before~~ their effective date.

Sec. 4. Minnesota Statutes 1988, section 144.701, subdivision 4, is amended to read:

Subd. 4. [FILING FEES.] Each report which is required to be submitted to the commissioner of health under sections 144.695 to 144.703 and which is not submitted to a voluntary, nonprofit reporting organization in accordance with section 144.702 shall be accompanied by a filing fee in an amount prescribed by rule of the commissioner of health. Fees received pursuant to this subdivision shall be deposited in the ~~general fund of the state treasury~~ *health care cost information system account.*

Sec. 5. Minnesota Statutes 1988, section 144.701, is amended by adding a subdivision to read:

*Subd. 5. [TERMINATION OF VOLUNTARY REPORTING SYSTEM; HEALTH CARE COST INFORMATION SYSTEMS ACCOUNT.] The health care cost information systems account is created as a separate account in the special revenue fund. If approval of a reporting organization is withdrawn, if the commissioner decides not to renew a reporting organization, or if for some other reason the reporting through a voluntary nonprofit reporting organization is discontinued, fees collected by the reporting organization under section 144.702 must be submitted to the commissioner and deposited in the health care cost information systems account. Money in the account is appropriated to the commissioner for the costs of administering the reporting procedures under sections 144.695 to 144.703. The commissioner may employ staff or contract with a third party for the administration of the reporting procedures.*

Sec. 6. Minnesota Statutes 1988, section 144.702, subdivision 2, is amended to read:

Subd. 2. [APPROVAL OF ORGANIZATION'S REPORTING PROCEDURES.] The commissioner of health may approve voluntary reporting procedures ~~which are substantially equivalent to reporting requirements and procedures adopted by the commissioner of health for reporting procedures under sections 144.695 to 144.703 consistent with written operating requirements for the voluntary, nonprofit reporting organization that must be established annually by the commissioner. The written operating requirements must specify reports, analyses, and other deliverables to be produced by the voluntary, nonprofit reporting organization, and the dates on which the deliverables must be submitted to the commissioner. The commissioner shall approve annual spending plans developed by the voluntary, nonprofit reporting organization.~~ The commissioner of health shall, by rule, prescribe standards for ~~approval of voluntary reporting procedures~~ *submission of data by hospitals and outpatient surgical centers to the voluntary, nonprofit reporting organization, which standards shall provide*



for:

(a) The filing of appropriate financial information with the reporting organization;

(b) Adequate analysis and verification of that financial information; and

(c) Timely publication of the costs, revenues, and rates of individual hospitals and outpatient surgical centers ~~prior to~~ *no later than* the effective date of any proposed rate increase. The commissioner of health shall annually review the procedures approved pursuant to this subdivision.

Sec. 7. Minnesota Statutes 1988, section 144.702, is amended by adding a subdivision to read:

*Subd. 7. [FEES.] A voluntary, nonprofit reporting organization shall pay to the commissioner, on or before July 1 of each year, a fee equal to the appropriation to the commissioner for administering the health care cost information system for the fiscal year. The amount collected through the fee must be deposited in the general fund.*

Sec. 8. Minnesota Statutes 1988, section 144.702, is amended by adding a subdivision to read:

*Subd. 8. [TERMINATION OR NONRENEWAL OF REPORTING ORGANIZATION.] The commissioner may withdraw approval of a voluntary, nonprofit reporting organization for failure on the part of the organization to comply with the written operation requirements under subdivision 2. Beginning on the effective date of the withdrawal, all money collected by the nonprofit reporting organization under section 144.701, subdivision 4, but not spent under the approved spending plan, must be paid to the commissioner and deposited in the health care cost information systems account. The commissioner may choose not to renew approval of a voluntary, nonprofit reporting organization if, in the commissioner's judgment, the organization has failed to perform its obligations satisfactorily under the written operating requirements under subdivision 2."*

Page 7, after line 15, insert:

"Sec. 13. Minnesota Statutes 1988, section 147.02, subdivision 1, is amended to read:

**Subdivision 1. [UNITED STATES OR CANADIAN MEDICAL SCHOOL GRADUATES.]** The board shall, with the consent of six of its members, issue a license to practice medicine to a person who meets the following requirements:

(a) An applicant for a license shall file a written application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a medical or osteopathic school located in the United States, its territories or Canada, and approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant data, or is currently enrolled in the final year of study at the school.

(c) The applicant must have passed ~~an~~ *a comprehensive examination for initial licensure prepared and graded by the national board of medical examiners or the federation of state medical boards.* The board shall by

rule determine what constitutes a passing score in the examination.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization.

(e) The applicant shall make arrangements with the executive director to appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a fee established by the board by rule. The fee may not be refunded.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee. If the applicant does not satisfy the requirements of this paragraph, the board may refuse to issue a license unless it determines that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate."

Page 10, after line 27, insert:

"Sec. 17. Minnesota Statutes 1988, section 153A.15, subdivision 3, is amended to read:

Subd. 3. [PROCEDURES.] The commissioner shall establish, in writing, internal operating procedures for receiving and investigating complaints and imposing enforcement actions. *The written internal operating procedures may include procedures for sharing complaint information with government agencies in this and other states.* Establishment of the operating procedures are not subject to rulemaking procedures under chapter 14. *Procedures for sharing complaint information must be consistent with the requirements for handling government data under chapter 13.*

Sec. 18. Minnesota Statutes 1988, section 153A.16, is amended to read:

153A.16 [BOND REQUIRED.]

A sole proprietor, partnership, association, or corporation engaged in hearing instrument sales shall provide a surety bond in favor of the state of Minnesota in the amount of \$5,000 for every individual engaged in the practice of selling hearing instruments, up to a maximum of \$25,000. The bond required by this section must be in favor of the state for the benefit of any person who suffers loss of payments for the purchase or repair of a hearing instrument after July 1, 1988, due to insolvency or cessation of the business of the sole proprietor, partnership, association, or corporation engaged in hearing instrument sales. A copy of the bond must be filed with the ~~attorney general~~ *commissioner of health*. A person claiming against the bond may maintain an action at law against the surety and the sole proprietor, partnership, association, or corporation. The aggregate liability of the surety to all persons for all breaches of the conditions of the bonds provided herein must not exceed the amount of the bond."

Page 10, delete lines 31 and 32 and insert "*to register human services occupations under section 214.13, subdivision 1, or for the purpose of establishing permit systems for human services occupations authorized by the legislature*"

Page 10, line 35, delete "*regulating*" and insert "*registering or permitting*"

Page 10, after line 35, insert:

"Sec. 20. Minnesota Statutes 1988, section 326.78, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF LICENSES AND CERTIFICATES.] The commissioner may issue licenses to employers and ~~certificates to employees~~ who meet the criteria in sections 326.70 to 326.82 and the commissioner's rules. Licenses and certificates ~~shall be~~ *are* valid for at least 12 months *except that the initial certificate must be issued to expire one year after the completion date on the approved training course diploma.*

Sec. 21. Minnesota Statutes 1988, section 327.20, subdivision 1, is amended to read:

Subdivision 1. [RULES.] No domestic animals or house pets of occupants of manufactured home parks or recreational camping areas shall be allowed to run at large, or commit any nuisances within the limits of a manufactured home park or recreational camping area. Each manufactured home park or recreational camping area licensed under the provisions of sections 327.10, 327.11, 327.14 to 327.28 shall, among other things, provide for the following, in the manner hereinafter specified:

(1) A responsible attendant or caretaker shall be in charge of every manufactured home park or recreational camping area at all times, who shall maintain the park or area, and its facilities and equipment in a clean, orderly and sanitary condition. In any manufactured home park containing more than 50 lots, the attendant, caretaker, or other responsible park employee, shall be readily available at all times in case of emergency.

(2) All manufactured home parks shall be well drained and be located so that the drainage of the park area will not endanger any water supply. No waste water from manufactured homes or recreational camping vehicles shall be deposited on the surface of the ground. All sewage and other water carried wastes shall be discharged into a municipal sewage system whenever available. When a municipal sewage system is not available, a sewage disposal system acceptable to the state commissioner of health shall be provided.

(3) No manufactured home shall be located closer than three feet to the side lot lines of a manufactured home park, if the abutting property is improved property, or closer than ten feet to a public street or alley. Each individual site shall abut or face on a driveway or clear unoccupied space of not less than 16 feet in width, which space shall have unobstructed access to a public highway or alley. There shall be an open space of at least ten feet between the sides of adjacent manufactured homes including their attachments and at least three feet between manufactured homes when parked end to end. The space between manufactured homes may be used for the parking of motor vehicles and other property, if the vehicle or other property is parked at least ten feet from the nearest adjacent manufactured home position. The requirements of this paragraph shall not apply to recreational camping areas and variances may be granted by the state commissioner of health in manufactured home parks when the variance is applied for in writing and in the opinion of the commissioner the variance will not endanger the health, safety, and welfare of manufactured home park occupants.

(4) An adequate supply of water of safe, sanitary quality shall be furnished at each manufactured home park or recreational camping area. The source of the water supply shall first be approved by the state department of health. At least one water supply outlet shall be provided at convenient locations throughout the manufactured home park or recreational camping area.

(5) All plumbing shall be installed in accordance with the rules of the state commissioner of health and the provisions of the Minnesota plumbing code.

(6) In the case of a manufactured home park with less than ten manufactured homes, a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of the park in times of severe weather conditions, such as tornadoes, high winds, and floods. The shelter or evacuation plan shall be developed with the assistance and approval of the municipality where the park is located and shall be posted at conspicuous locations throughout the park. Nothing in this paragraph requires the department of health to review or approve any shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan submitted by a park shall not be grounds for action against the park by the department of health if the park has made a good faith effort to develop the plan and obtain municipal approval.

(7) A manufactured home park with ten or more manufactured homes, licensed prior to March 1, 1988, shall provide a safe place of shelter for park residents or a plan for the evacuation of park residents to a safe place of shelter within a reasonable distance of the park for use by park residents in times of severe weather, including tornadoes and high winds. The shelter or evacuation plan must be approved by the municipality by March 1, 1989. The municipality may require the park owner to construct a shelter if it determines that a safe place of shelter is not available within a reasonable distance from the park. A copy of the municipal approval and the plan shall be submitted by the park owner to the department of health. *Failure of a municipality to approve a plan submitted by a park is not grounds for action against the park by the commissioner of health if the park has made a good faith effort to develop the plan and obtain municipal approval.*

(8) A manufactured home park with ten or more manufactured homes, receiving a primary license after March 1, 1988, must provide the type of shelter required by section 327.205."

Page 11, line 1, before "\$360,000" insert "*Subdivision 1. [CASE MANAGEMENT GRANTS.]*"

Page 11, lines 3 and 6, delete "2" and insert "9"

Page 11, line 6, after the period, insert "*\$53,000 is appropriated from the general fund to the commissioner of health for each year of the biennium ending June 30, 1991, to administer the health care cost information system.*"

Page 11, after line 6, insert:

*"Subd. 2. [HUMAN SERVICES OCCUPATIONS.] \$104,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, for purposes of section 19."*

Page 11, delete line 8 and insert:

*"Minnesota Rules, parts 4650.0162 and 4650.0164, are repealed."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "authorizing health department employees to enter property to investigate public health hazards; authorizing the commissioner to enter into written agreements regarding hospital cost information reports; authorizing the commissioner to withdraw approval of a voluntary, nonprofit hospital cost information reporting organization; creating a health care cost information systems account;"

Page 1, line 8, after the semicolon, insert "clarifying that the national examination that a person must pass to become licensed to practice medicine must be a comprehensive examination for initial licensure;"

Page 1, lines 11 and 12, delete "establishing a hearing instrument security fund" and insert "changing requirements relating to hearing instrument sellers; changing the expiration date of initial asbestos abatement licenses and certificates; exempting a manufactured home park from liability for a good faith effort to develop a severe weather evacuation plan"

Page 1, line 13, after the semicolon, insert "appropriating money;"

Page 1, line 14, after "sections" insert "144.698, subdivision 1; 144.701, subdivisions 3 and 4, and by adding a subdivision; 144.702, subdivision 2, and by adding subdivisions;"

Page 1, line 15, after the first semicolon, insert "147.02, subdivision 1;" and delete "and"

Page 1, line 16, before "proposing" insert "153A.15, subdivision 3; 153A.16; 326.78, subdivision 2; and 327.20, subdivision 1;"

Page 1, line 18, delete everything before the period and insert "Rules, parts 4650.0162 and 4650.0164"

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. 727: A bill for an act relating to human services; establishing a resource center on caregiver support; creating a grant program of respite care services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 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. [256.992] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] For purposes of sections 1 to 3, the following terms have the meanings given them.*

*Subd. 2. [CAREGIVER.] "Caregiver" means a person who resides with and has primary responsibility for the care of a person with a disability, including a licensed, full-time foster care provider.*

*Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of human services.*

*Subd. 4. [COUNTY BOARD.] "County board" means the board of county commissioners in each county.*

*Subd. 5. [PERSON WITH A DISABILITY.] "Person with a disability" means a person who, because of physical disability, degenerative disease, mental illness, chronic illness, frailty associated with aging, or mental retardation or a related condition, requires substantial continuous care and supervision and who would require institutionalization in the absence of a caregiver.*

*Subd. 6. [RESPITE CARE.] "Respite care" means the temporary or periodic care and supervision of a person with a disability, in or out of the home, on a planned or emergency basis to provide relief to the caregiver. Respite care includes adult day care.*

**Sec. 2. [256.993] [RESOURCE CENTER ON CAREGIVER SUPPORT AND RESPITE CARE SERVICES.]**

*Subdivision 1. [RESOURCE CENTER.] The commissioner shall establish a statewide resource center on caregiver support and respite care services.*

*Subd. 2. [PURPOSE OF RESOURCE CENTER.] The resource center shall:*

*(1) provide leadership and visibility on the need for caregiver support and respite care programs;*

*(2) develop a mechanism to address issues and system changes needed to increase caregiver support and respite care services;*

*(3) provide information statewide on identified direct service models of existing caregiver support and respite care;*

*(4) analyze and evaluate funding sources for respite care;*

*(5) identify and address concerns and gaps in statewide service delivery;*

*(6) provide technical assistance and training to foster the development of in-home respite care services;*

*(7) educate caregivers on the availability and use of respite care services;*

*(8) promote and expand caregiver support coordination by using existing networks when possible; and*

*(9) manage and oversee a respite care grant program to develop model county coordinated generic respite care services.*

*Subd. 3. [ADVISORY COMMITTEE.] An advisory committee of not more than 12 people appointed by the commissioner shall make recommendations on resource center direction and oversee its activities. The advisory committee includes caregivers, people with disabilities, and advocates, representing all areas of the state. The advisory committee shall review administrative procedures and make recommendations to the commissioner relating to the grant program.*

**Sec. 3. [256.994] [RESPITE CARE GRANT PROGRAM.]**

*Subdivision 1. [GRANT PROGRAM.] The commissioner shall establish*

*a respite care grant program. The commissioner may adopt rules as necessary to administer the program, but the commissioner may implement the program without adopting rules to the extent allowed under chapter 14.*

*Subd. 2. [PURPOSE OF GRANT.] A grant program must establish a coordinated system of generic respite care to:*

*(1) enable caregivers to continue to provide care at home by providing relief and support;*

*(2) assist caregivers in securing affordable respite care, particularly for those individuals who are not eligible for Medicaid;*

*(3) foster the development of in-home care; and*

*(4) educate caregivers, professionals, and the general public on the availability, need for, and use of caregiver support services, particularly respite care.*

*Subd. 3. [USE OF GRANT MONEY.] (a) Grant money may be used to:*

*(1) plan and implement a coordinated array of respite care services;*

*(2) establish or expand subsidized respite care services;*

*(3) recruit and train paid or volunteer providers; or*

*(4) establish an educational program for caregivers that may include support groups.*

*(b) Grant funds may not be used to supplant existing funds and existing volunteer efforts or to purchase equipment.*

*Subd. 4. [ELIGIBILITY.] A county board may, alone or in combination with other county boards, apply for a respite care grant. A public or nonprofit agency may apply for a grant if there is a letter of agreement with the county or counties in which services will be developed stating the intention of the county or counties to work with and coordinate with the agency requesting a grant.*

*Subd. 5. [GRANT APPLICATIONS.] (a) The commissioner shall request proposals for grants and shall specify the information and criteria required.*

*(b) Grant applications must address the issues under subdivisions 2 and 3 and provide a description of:*

*(1) any new services to be provided and of existing services;*

*(2) the estimated number of persons to be served;*

*(3) how services would be coordinated;*

*(4) limitations on services;*

*(5) methods of generating additional funds including sliding fee schedules;*

*(6) use of volunteers;*

*(7) contracts with outside agencies; and*

*(8) training needs.*

*(c) The proposed budget shall indicate how grant funds will be used and the amount and sources of other funds.*

*(d) All grant applications must include a written performance plan that*

*addresses the criteria contained in subdivision 3. The performance plan must include written performance objectives, specific measurable outcomes, time-lines, and the procedure the grantee will use to document and measure success in meeting the objectives.*

*Subd. 6. [GRANT AWARDS.] (a) The advisory committee shall review administrative procedures relating to the grant program including but not limited to forms, instructions, and the request for proposal. The advisory committee shall review grant applications and make recommendations to the commissioner. Grants must be awarded by the commissioner to programs that:*

- (1) meet the purpose of the grant program;*
- (2) have the ability to continue the project at the end of the funding period; and*
- (3) demonstrate cost-effective administration.*

*(b) Preference must be given to proposals that seek to address underserved populations or that come from areas where limited services are available. Grants must be awarded to achieve a geographic distribution. No grant award may exceed 20 percent of the total appropriation.*

*Subd. 7. [FORMS AND INSTRUCTIONS.] The commissioner shall provide necessary forms and instructions to eligible applicants upon request. Grant recipients shall submit financial reports and program and evaluation reports on forms prescribed by the commissioner according to instructions specified by the commissioner. The reports must include, but are not limited to, information on income, expenditures, number of caregivers served, the disabilities of the care receivers, and how grant money was used. The commissioner of human services may delay or revoke grant money if the commissioner determines that the grantee is not meeting the reporting requirements or other terms of the grant.*

*Subd. 8. [FINANCIAL RECORDS.] The county board, and its contractors and subcontractors, shall maintain financial records, using generally accepted accounting principles, in a way so that expenditures can be easily compared with the approved budget.*

*Subd. 9. [ACCESS TO PROGRAMS AND RECORDS.] At the request of the commissioner, the grantee and its contractors and subcontractors shall make available for audit and inspection all program and fiscal records related to the requirements of this section and the grant contract.*

*Subd. 10. [DISTRIBUTION OF GRANTS.] The commissioner may award grants to continue until June 30, 1991, as long as the grantee demonstrates continuing compliance with the terms of the grant.*

#### **Sec. 4. [256.995] [START-UP GRANTS FOR FOSTER CARE PROVIDERS.]**

*Subdivision 1. [GRANTS AUTHORIZED.] The commissioner of human services may award grants to individuals or families who seek to begin providing foster care services licensed under chapter 245A. The grants may be used by the individual or family for structural changes, additions, and purchases of safety devices needed to make the home physically accessible to persons served by the foster care home, and to comply with fire, safety, health, and other licensing requirements for foster care homes.*

*Subd. 2. [REPAYMENT.] A family or individual who receives a grant*



*under this subdivision and who makes the home available for foster care for four years after the date the grant is awarded is not required to repay the grant. A family or individual who makes the home available for foster care for less than four years after the grant is awarded shall repay a portion of the grant on a prorated basis according to the circumstances, terms, and conditions the commissioner establishes in rule for repayment. The commissioner shall determine appropriate security for repayment.*

*Subd. 3. [APPLICATION.] A family or individual seeking a grant under this subdivision shall apply to the commissioner of human services. A grant application must describe:*

- (1) a need for the grant that meets the specifications of subdivision 1;*
- (2) the services to be provided in the foster care home;*
- (3) the number of persons who will be served in the foster care home;*
- (4) how grant money will be used;*
- (5) the amount and source of other funds available to the applicant to meet the need stated in the grant application; and*
- (6) the methods of generating additional funds.*

*Subd. 4. [GRANT AWARDS.] (a) The commissioner shall award a grant to an applicant if the applicant's proposal:*

- (1) meets the purpose of the grant program;*
- (2) increases access to foster care services; and*
- (3) shows that the applicant has the ability to continue foster care services after the grant is spent.*

*(b) A person who qualifies for the grant may receive up to:*

- (1) \$10,000 for modifications needed to make the home physically accessible to persons served by the foster care home;*
- (2) \$5,000 for modifications needed to meet fire code, safety, health, and other licensing requirements for foster care homes;*
- (3) \$5,000 to add additional space in the home for privacy of the persons served by the foster care provider; and*
- (4) \$500 for training to become a foster care provider.*

*Subd. 5. [HOUSING FINANCE AGENCY.] After determining eligibility, the commissioner may contract with the housing finance agency to administer grants involving complex accessibility modifications or extensive structural changes to meet fire code standards.*

#### **Sec. 5. [REPORT ON RESPITE CARE RESOURCE CENTER AND GRANTS.]**

*By January 1, 1991, the commissioner shall submit a report to the legislature containing an analysis of the activities of the resource center, information on the need for respite care services, a projection of the need for respite care services, and a summary of the projects funded under the respite care grant program.*

#### **Sec. 6. [APPROPRIATION.]**

- (a) \$215,000 is appropriated from the general fund to the commissioner*

*of human services for the biennium ending June 30, 1991, for purposes of the resource center established under section 2. \$171,400 of this appropriation may be used by the commissioner to increase the approved complement of the department by 2.5 full-time equivalent positions to carry out the activities and objectives of the resource center. The commissioner may use part of this appropriation for administrative costs. Any unexpended balance remaining in the first year does not cancel and is available for the second year.*

*(b) \$785,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for the respite care grant program established under section 3. This appropriation is available for distribution on or after October 1, 1989. Any unexpended balance remaining in the first year does not cancel and is available for the second year.*

*(c) \$345,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for purposes of start-up grants for foster care providers under section 4."*

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "authorizing start-up grants for foster care providers;"

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. 490: A bill for an act relating to human services; requiring county community social service plans to address the development of supported employment services; amending Minnesota Statutes 1988, section 256E.09, subdivision 3.

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

Page 2, line 9, after the semicolon, insert "*community-based employment programs, as defined in section 129A.01, subdivision 12;*"

Page 2, lines 15 and 18, after "*services*" insert "*and community-based employment services*"

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. 971: A bill for an act relating to health; establishing a grant for a prenatal care media campaign; 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. Minnesota Statutes 1988, section 256B.04, is amended by

adding a subdivision to read:

*Subd. 17. [PRENATAL CARE OUTREACH.] (a) The commissioner of human services shall award a grant to an eligible organization to conduct a statewide media campaign promoting early prenatal care. The goals of the campaign are to increase public awareness of the importance of early and continuous prenatal care and to inform the public about public and private funds available for prenatal care.*

*(b) In order to receive a grant under this section, an applicant must:*

*(1) have experience conducting prenatal care outreach;*

*(2) have an established statewide constituency or service area; and*

*(3) demonstrate an ability to accomplish the purposes in this subdivision.*

*(c) Money received under this subdivision may be used for purchase of materials and supplies, staff fees and salaries, consulting fees, and other goods and services necessary to accomplish the goals of the campaign. Money may not be used for capital expenditures.*

Sec. 2. [APPROPRIATION.]

*\$50,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for the purposes of section 1."*

Delete the title and insert:

"A bill for an act relating to health; establishing a grant for a prenatal care media campaign; appropriating money; amending Minnesota Statutes, section 256B.04, 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

S.F. No. 1099: A bill for an act relating to public safety; proposing the emergency planning and community right-to-know act; requiring reports on hazardous substances and chemicals; creating an emergency response commission; providing penalties; amending Minnesota Statutes 1988, section 609.671, subdivision 1, and by adding a subdivision; 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. [299K.01] [DEFINITIONS.]

*Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 1 to 10.*

*Subd. 2. [COMMISSION.] "Commission" means the emergency response commission established in section 3.*

*Subd. 3. [COUNCIL.] "Council" means the hazardous materials emergency incident response advisory council established in section 11.*

*Subd. 4. [EMERGENCY RESPONSE ORGANIZATION.] "Emergency*

*response organization” means a firefighting, law enforcement, emergency management, emergency medical services, health or local environmental organization, or a hospital.*

*Subd. 5. [FACILITY.] “Facility” means the buildings, equipment, structures, and other stationary items that:*

- (1) are located on a single site or on contiguous or adjacent sites; and*
- (2) are owned or operated by one person, or are under the sole or common control of one person.*

*Subd. 6. [FEDERAL ACT.] “Federal act” means the federal Emergency Planning and Community Right To Know Act, United States Code, title 42, sections 11001 to 11046.*

*Subd. 7. [GREATER MINNESOTA.] “Greater Minnesota” means the area of the state located outside of the metropolitan area.*

*Subd. 8. [HAZARDOUS MATERIALS INCIDENT.] “Hazardous materials incident” is an unexpected occurrence in which hazardous substances or extremely hazardous substances spill, release to the atmosphere, explode, burn, or in any other way cause a potential threat to life, safety, and health.*

*Subd. 9. [HAZARDOUS MATERIALS INCIDENT RESPONSE TEAM.] “Hazardous materials incident response team” means a group of firefighters already employed by a municipality who have the training and equipment necessary to respond to and control hazardous materials incidents and who are designated as a hazardous materials incident response team by the council.*

*Subd. 10. [METROPOLITAN AREA.] “Metropolitan area” has the meaning given in section 473.121, subdivision 2.*

*Subd. 11. [PERSON.] “Person” means an individual, partnership, association, public or private corporation, or other entity including the United States government, an interstate body, the state and any agency, department, or political subdivision of the state.*

## **Sec. 2. [299K.02] [OFFICE OF EMERGENCY RESPONSE.]**

*The office of emergency response is established in the department of public safety, consisting of the emergency response commission and its staff, to coordinate state compliance with the federal act.*

## **Sec. 3. [299K.03] [EMERGENCY RESPONSE COMMISSION.]**

*Subdivision 1. [ESTABLISHMENT.] The emergency response commission is established to comply with and administer the federal act. The emergency response commission consists of state agency members and appointed members.*

*Subd. 2. [AGENCY MEMBERS.] The state agency members of the commission are the commissioners of the department of public safety, the pollution control agency, the department of health, and the department of agriculture.*

*Subd. 3. [APPOINTED MEMBERS.] (a) The governor shall appoint 15 members to the commission.*

*(b) The 15 appointed members must include:*

- (1) one representative each from fire chiefs, professional firefighters,*

*volunteer firefighters, fire marshals, law enforcement personnel, emergency medical personnel, health professionals, community groups, wastewater treatment operators, labor, and local elected officials; and*

*(2) four representatives from business and industry, at least one of whom must represent small business.*

*(c) The appointed members must be appointed, serve, and be compensated in the manner provided in section 15.059.*

*Subd. 4. [ADVISORY COMMITTEES.] The commission may establish advisory committees to advise the commission on matters pertaining to the commission's duties.*

*Subd. 5. [DUTIES OF COMMISSION.] The commission shall implement the requirements of a commission under the federal act and may adopt rules to implement its duties. The commission shall encourage use of and shall utilize existing emergency planning systems under section 5 whenever practical.*

*Subd. 6. [AGREEMENTS.] The commission may cooperate and enter into necessary agreements with other state agencies, political subdivisions of the state, or the federal government to perform its duties.*

*Subd. 7. [COOPERATION.] State agencies and political subdivisions shall cooperate with the commission and its director and shall assist in the performance of the commission's duties.*

#### **Sec. 4. [299K.04] [REGIONAL REVIEW COMMITTEES.]**

*Subdivision 1. [MEMBERSHIP.] (a) The commission shall establish emergency planning districts and appoint and supervise a regional review committee for each district. The regional review committee shall serve as the local emergency planning committee under the federal act, except where a local emergency planning committee has been established by one or more political subdivisions.*

*(b) Each regional review committee must have nine members consisting of:*

- (1) three representatives of facilities regulated under the federal act;*
- (2) three representatives of emergency response organizations; and*
- (3) three representatives of the public including community groups, broadcast and print media, and elected officials.*

*Subd. 2. [COMPENSATION.] Regional review committee members shall be compensated in the manner provided in section 15.059.*

*Subd. 3. [DUTIES OF REGIONAL REVIEW COMMITTEES.] Regional review committees shall:*

*(1) review emergency operations plans prepared by political subdivisions within their emergency planning district to determine whether they meet the requirements of section 11003(c) of the federal act;*

*(2) consult and coordinate with the regional program coordinators of the division of emergency management of the department of public safety and with local and county organizations for civil defense designated under section 12.25;*

*(3) submit emergency plans to the commission for review and*

recommendations;

(4) establish procedures for receiving and processing requests from the public for information available under the federal act; and

(5) perform any other duties specified in the federal act.

**Sec. 5. [299K.05] [LOCAL EMERGENCY PLANS.]**

*Subdivision 1. [PROCEDURE.] Political subdivisions should prepare emergency plans that adequately address the requirements contained in section 11003 of the federal act. The emergency plan may be a part of a plan prepared by a political subdivision in accordance with chapter 12. County organizations, through the county director designated under section 12.25, shall receive the plans for review, shall coordinate the emergency planning required under the federal act for political subdivisions within the county, and shall submit the plans to the regional office of the division of emergency management. The division of emergency management shall submit the plans to the regional review committee.*

*Subd. 2. [COORDINATION BY CIVIL DEFENSE ORGANIZATION.] The county civil defense organization shall coordinate the emergency planning required under section 11003 of the federal act for municipalities within the county, and shall submit the plans to the regional office of the division of emergency management. The division of emergency management shall submit the plans to the regional review committee.*

*Subd. 3. [LOCAL EMERGENCY PLANNING COMMITTEES.] Any political subdivision or two or more political subdivisions that are contiguous may request the commission to establish a local emergency planning committee for the political subdivision or subdivisions. A local emergency planning committee established by the commission shall carry out all requirements specified under sections 11001 to 11046 of the federal act. Any political subdivision or two or more political subdivisions that are contiguous may establish, in lieu of a local emergency planning committee, a planning advisory committee to prepare an emergency plan under section 11003 of the federal act.*

**Sec. 6. [299K.06] [PUBLIC INFORMATION DEPOSITORY.]**

*Subdivision 1. [COUNTY DESIGNATION OF LIBRARY.] Each county shall designate a library in the county for maintaining updated information on the facilities subject to the federal act that are located in the county and a copy of the emergency response plan for the county.*

*Subd. 2. [PROVISION OF INFORMATION.] When the commission develops a computerized information system, the commission shall provide updated information on a regular basis to libraries designated under subdivision 1, listing the facilities subject to sections 1 to 10 and noting types of hazards, specific chemicals on site, and amounts of chemicals on site at each facility, and identifying the regional review committee that may be contacted for further information. The commission also shall provide to the libraries a copy of the most recently approved emergency response plan for the county and designate a contact person for public participation in emergency planning.*

**Sec. 7. [299K.07] [NOTIFICATION TO EMERGENCY RESPONSE CENTER.]**

*(a) The notification of the commissioner required under the federal act*

*shall be made to the state emergency response center. The owner or operator of a facility shall immediately notify the state emergency response center of the release of a reportable quantity of the following materials:*

*(1) a hazardous substance on the list established under United States Code, title 42, section 9602; or*

*(2) an extremely hazardous substance on the list established under United States Code, title 42, section 11002.*

*(b) This subdivision does not apply to a release that results in exposure to persons solely within the site or sites on which a facility is located or to a release specifically authorized by state law.*

**Sec. 8. [299K.08] [FACILITIES REQUIRED TO COMPLY.]**

*Subdivision 1. [GENERAL.] Facilities subject to the federal act must comply with the federal act and sections 1 to 10.*

*Subd. 2. [HAZARDOUS CHEMICAL INVENTORY REPORTING.] In addition to facilities specified in the federal act, facilities that are operated by employers subject to the occupational health and safety provisions of sections 182.65 to 182.675 shall comply with the hazardous chemical inventory reporting of the federal act. This section is a designation of additional facilities under sections 11021 and 11022 of the federal act, and the legislative process meets the requirements for public notice and opportunity to comment.*

**Sec. 9. [299K.09] [RULES TO SET FEES.]**

*Subdivision 1. [FEES.] The commission shall adopt rules setting the following fees:*

*(1) a material safety data sheet fee to be paid by a facility when it submits material safety data sheets in lieu of a hazardous chemical report form as required under section 11021 of the federal act;*

*(2) a fee to be paid by a facility when the owner or operator submits its emergency and hazardous chemical inventory form, required under section 11022 of the federal act, for calendar year 1990 and annually afterwards; and*

*(3) a late fee to be paid by a facility that fails to pay a fee under clause (1) or (2) in a timely manner, not to exceed 200 percent of the original fee.*

*Subd. 2. [FEE STRUCTURE.] The fee established under subdivision 1 may not exceed, in the aggregate, the amount necessary to cover the costs for all data management, including administration of fees, by the commission and regional review committees.*

**Sec. 10. [299K.10] [ENFORCEMENT.]**

*Subdivision 1. [ENFORCEMENT POWERS OF THE COMMISSION.] (a) To carry out its duties, the commission may:*

*(1) enforce the federal act;*

*(2) issue, enter into, or enforce orders, schedules of compliance, and stipulation agreements;*

*(3) conduct investigations, issue notices, and hold hearings that are necessary or useful to discharge its duties;*

(4) examine and copy any books, papers, records, memoranda, or data of a person that is related to data required to be submitted to the commission;

(5) enter public or private property to take an action authorized by this section including obtaining information from a person who has a duty to provide information to the commission; and

(6) issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence relevant to matters involved in a hearing or investigation.

(b) An employee or agent of the commission may examine witnesses and administer oaths in connection with a subpoena. Witnesses must receive the same fees and mileage as in civil actions.

(c) The commission may delegate its authority under this subdivision to state or local governmental agencies or organizations to conduct investigations, examine and copy records, and enter property.

*Subd. 2. [CIVIL ACTION; COMMISSION.] The commission may enforce the federal act through a civil action brought in federal district court under the federal act or in state district court by the attorney general on request of the commission.*

*Subd. 3. [CIVIL ACTION; CITIZENS.] A person may commence a civil action against an owner or operator of a facility in state district court that may be brought in federal district court under the federal act.*

*Subd. 4. [CIVIL ACTION; REGIONAL REVIEW AND LOCAL EMERGENCY PLANNING COMMITTEES.] A regional review committee or a local emergency planning committee may commence an action against an owner or operator of a facility in state district court for a violation of the federal act that the local emergency planning committee is authorized to commence in federal district court under the federal act.*

*Subd. 5. [INJUNCTIVE RELIEF] In addition to other relief granted, the court may grant injunctive relief to restrain violations of the federal act.*

*Subd. 6. [CIVIL PENALTIES.] (a) A violation of the federal act is a violation of state law.*

*(b) An owner or operator of a facility is liable to the state for civil penalties in the same manner and amount as the owner or operator is liable to the United States under section 11045, subpart (a) and subpart (b), paragraphs (1), (2), and (3), of the federal act.*

*(c) The commission may enforce the penalties in state district court in the same manner as the administrator of the United States Environmental Protection Agency may enforce the civil penalties in federal district court under the federal act.*

*(d) For purposes of this subdivision, each day of continued violation constitutes a separate violation.*

*Subd. 7. [COSTS AND ATTORNEY FEES.] On the motion of a party prevailing in an action under this section, the court may award costs, disbursements, and reasonable attorney and witness fees to the prevailing party.*

*Subd. 8. [VENUE.] A civil action authorized by this section may be brought in the district court in Ramsey county, in the district court where*



*the alleged violation occurred, or in the district court where the defendant is located.*

**Sec. 11. [299K.11] [HAZARDOUS MATERIALS INCIDENT RESPONSE ADVISORY COUNCIL.]**

*Subdivision 1. [ESTABLISHMENT.] A hazardous materials incident response advisory council is established.*

*Subd. 2. [MEMBERSHIP.] (a) The council shall have five members to be appointed by the commissioner of public safety consisting of:*

- (1) one member who represents fire chiefs in municipalities of the state;*
- (2) one member who represents professional, full-time firefighters in the state;*
- (3) one member who represents volunteer firefighters in the state;*
- (4) one member who represents occupational health physicians in the state; and*
- (5) one member who represents municipal officials in the state.*

*(b) The commissioner of public safety and the commissioner of labor and industry shall be ex officio members.*

*Subd. 3. [CHAIR AND OFFICERS.] The council shall elect from its members by a majority vote a chair and other officers as necessary to carry out the duties of the council.*

*Subd. 4. [QUORUM.] A majority of the council members constitutes a quorum.*

*Subd. 5. [MEETINGS.] The council shall meet at the call of its chair, or upon the request of a majority of its members. The council shall expire June 30, 1991.*

*Subd. 6. [TERMS, COMPENSATION, AND REMOVAL.] The terms, compensation, and removal of members shall be as provided in section 15.059.*

**Sec. 12. [299K.12] [POWERS OF ADVISORY COUNCIL.]**

*Subdivision 1. [HAZARDOUS MATERIALS INCIDENT RESPONSE PLAN.] (a) The hazardous materials incident response advisory council shall devise a plan to establish a sufficient number of hazardous materials incident response teams in the state so that a locality in the state where a hazardous materials incident may occur is not more than one hour from the hazardous materials incident response team.*

*(b) The plan must include:*

*(1) a list of equipment that each hazardous materials incident response team must have;*

*(2) a determination of the number of people who must be available to each hazardous materials incident response team, including their training;*

*(3) recommendations for the department of public safety, fire agencies, and the legislature to implement training standards for hazardous materials incident responders in compliance with federal standards;*

*(4) designation of communities where hazardous materials incident response teams shall be located;*

(5) *recommendations on the method for compensating communities that house hazardous materials incident response teams and for compensating individuals who participate in the teams, including compensation for necessary training;*

(6) *recommendations on holding harmless from increased liability individuals and communities who participate in hazardous materials incident response teams;*

(7) *appropriate methods for supervising and coordinating response areas and hazardous materials incident response teams;*

(8) *appropriate methods for coordinating with the emergency response commission, the emergency response districts' local emergency planning committees, and other state agencies involved with hazardous materials; and*

(9) *designation of the state fire marshal as administrator of the hazardous materials incident response program.*

*Subd. 3. [PILOT PROGRAM.] (a) The commissioner of public safety shall implement a hazardous materials incident response pilot program that consists of two fully trained and equipped hazardous materials incident response teams. The commissioner of public safety, with the advice of the council, shall designate in which communities the hazardous materials incident response pilot program will be located.*

*(b) One of the two pilot hazardous materials incident response teams shall be located in the metropolitan area and the other team shall be located in greater Minnesota.*

*(c) The two pilot hazardous materials incident response teams shall be operational by July 1, 1990.*

*(d) The commissioner of public safety will adopt temporary rules for implementing this subdivision.*

*Subd. 4. [REPORT TO THE LEGISLATURE.] By February 15, 1991, the commissioner of public safety shall report to the legislature on the results of the pilot programs and shall recommend legislation and funding for the number of hazardous materials incident response teams necessary to comply with the requirement for one-hour response times to hazardous materials incidents.*

#### **Sec. 13. [INTERIM COMMISSION.]**

*Until the 15 members can be appointed under section 3, the commission established through the governor's executive order to administer the provisions of the federal act shall continue to perform the duties of the commission.*

#### **Sec. 14. [INTERIM FEES.]**

*Beginning on the effective date of this act and continuing until the effective date of rules adopted under section 9, the fee, under section 9, subdivision 1, clause (1), is \$10 per material safety data sheet but does not apply to material safety data sheets requested by the commission.*

#### **Sec. 15. [TOXIC CHEMICAL RELEASE REPORTING STUDY.]**

*The commission, in cooperation with the pollution control agency, shall conduct a study to determine the need for expanding the toxic chemical*

*release form requirements of section 11023 of the federal act to other facilities covered under sections 182.65 to 182.675. The commission shall report the results of the study to the house of representatives and senate committees on environment and natural resources by December 31, 1990.*

Sec. 16. Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

*Subd. 10. [FAILURE TO REPORT A RELEASE OF A HAZARDOUS SUBSTANCE OR AN EXTREMELY HAZARDOUS SUBSTANCE.] (a) A person in charge of a facility who knowingly fails to provide immediate notification to the state emergency response center of the release of a hazardous substance or an extremely hazardous substance required in section 7 is, upon conviction, subject to a fine of up to \$25,000 or imprisonment for up to two years, or both.*

*(b) For a second or subsequent conviction under this section, the violator is subject to a fine of not more than \$50,000 or imprisonment for not more than five years, or both.*

Sec. 17. [APPROPRIATION.]

*\$750,000 is appropriated from the general fund to the commissioner of public safety to be disbursed to the hazardous materials incident response advisory council for administrative costs and operation of the pilot program."*

Amend the title as follows:

Page 1, line 2, delete "proposing the" and insert "establishing"

Page 1, line 3, delete "act" and insert "requirements"

Page 1, line 5, after the semicolon, insert "establishing the hazardous materials incident response advisory council;"

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

Page 1, line 7, delete "subdivision 1, and"

Page 1, line 8, delete "in" and insert "as"

Page 1, line 9, delete "299F" and insert "299K"

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. 840: A bill for an act relating to human services; defining persons with related conditions to include persons with prader-willi syndrome; amending Minnesota Statutes 1988, section 252.27, subdivision 1.

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

Page 1, line 14, strike "section 256E.08,"

Page 1, line 15, strike "subdivision 7" and insert "chapter 256G"

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. 1139: A bill for an act relating to occupations and professions; providing that psychologists licensed by the board of psychology and competent in the area may practice marriage and family therapy and present themselves to the public as marriage and family therapists without being licensed by the board of marriage and family therapy examiners; amending Minnesota Statutes 1988, section 148B.32, subdivisions 1 and 2.

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

Page 1, delete section 1

Page 1, line 24, delete "Sec. 2" and insert "Section 1"

Page 2, after line 5, insert:

"Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective retroactively to December 28, 1988.*"

Amend the title as follows:

Page 1, line 4, delete "the area may practice"

Page 1, line 5, delete "and" and insert "may"

Page 1, line 9, delete "subdivisions 1 and" and insert "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. 734: A bill for an act relating to human services; creating a subsidy program for community clinics; providing planning grants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Page 2, line 36, delete "shall" and insert "may"

Page 3, line 1, delete "emergency and"

Page 4, line 14, delete "shall" and insert "may"

Page 4, line 15, delete "emergency"

Page 4, line 17, delete "\$8,000,000" and insert "\$ . . . . ."

Page 4, line 20, delete "\$300,000" and insert "\$ . . . . ."

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. 575: A bill for an act relating to resource development; establishing a legislative commission on minerals; appropriating money.

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

Page 1, delete section 1

Page 3, delete section 3 and insert:

“Sec. 2. [APPROPRIATION.]

*Subdivision 1. [LEGISLATIVE COMMISSION ON MINERALS.] \$ . . . . . is appropriated from the general fund to the legislative commission on minerals to be available until June 30, 1991.*

*Subd. 2. [MINERALS DIVERSIFICATION PROGRAM.] \$ . . . . . is appropriated from the general fund to the commissioner of natural resources to be available until June 30, 1991, to fund the programs and activities recommended by the Minnesota minerals coordinating committee as part of the Minnesota minerals diversification biennial fund plan.”*

Page 3, line 19, delete “to 3” and insert “and 2”

Renumber the sections in sequence

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

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

S.F No. 936: A bill for an act relating to state lands; authorizing exchange of state property with city of St. Cloud.

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

Page 1, line 8, delete “or other law, but” and insert a comma

Page 1, line 20, delete the first “the” and insert “to”

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. 1080: A bill for an act relating to state lands; conveying title to state land in St. Cloud.

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

Page 1, line 7, delete “shall” and insert “may”

Page 1, line 16, delete “17” and insert “17.5”

Page 2, line 1, delete “17” and insert “17.5”

Page 2, line 2, delete “St. Cloud”

Page 2, delete line 3

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 722: A bill for an act relating to employment; requiring prevailing wages to be paid on certain railroad projects assisted with state money; amending Minnesota Statutes 1988, section 222.50, subdivision 5.

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

Page 2, delete lines 15 to 20 and insert:

*“(e) To the extent not prohibited by federal law or regulation, require that when the railroad elects to contract for portions of the rehabilitation work or rail service improvement, the railroad must select a contractor who is experienced in rail rehabilitation work, and must require the contractor to:*

*(1) recruit any new workers from the area where the work is to be done; and*

*(2) pay workers under the contract wages that are equal to or greater than the wages the railroad pays its own workers for similar work, but not less than twice the state minimum wage that state-covered employers are required to pay under section 177.24, subdivision 1, paragraph (b).”*

Amend the title as follows:

Page 1, line 2, delete everything after “requiring” and insert “the hiring of local workers and the payment of wages equal to those of railroad workers”

Page 1, line 3, delete “be paid”

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. 612: A bill for an act relating to capital improvements; authorizing the sale of state bonds for the museum of transportation; appropriating money; amending Minnesota Statutes 1988, section 174.50, by adding a subdivision.

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

Page 1, line 15, delete “*the housing and redevelopment authority of*” and after “*Paul*” insert “*or one of its redevelopment agencies*”

Page 1, line 16, after the first “*to*” insert “*obtain and*” and after “*construct*” insert “*or remodel*”

Page 1, line 19, delete “*to acquire land*”

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. 1260: A bill for an act relating to public employment; regulating fair share fees, unfair labor practices, arbitration procedures and grievance

procedures; amending Minnesota Statutes 1988, sections 179A.03, subdivision 7; 179A.06, subdivision 3; 179A.13, subdivision 1; 179A.14, subdivision 1; 179A.16, subdivisions 1, 2, and 3; 179A.20, subdivision 4; repealing Laws 1984, chapter 654, article 2, section 116.

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

Page 1, after line 10, insert:

“Section 1. Minnesota Statutes 1988, section 179.02, is amended by adding a subdivision to read:

*Subd. 4. [ROSTER OF ARBITRATORS.] The commissioner shall maintain a roster of persons suited and qualified by training and experience to act as arbitrators of labor disputes and shall provide parties to a labor dispute with the names of persons on the roster upon written request. The commissioner shall adopt rules governing appointments to, removals from, and administration of this roster.”*

Page 2, after line 1, insert:

“Sec. 3. Minnesota Statutes 1988, section 179A.05, subdivision 6, is amended to read:

*Subd. 6. [~~LIST OF ARBITRATORS~~ ADMINISTRATION OF ARBITRATOR ROSTER.] The board shall maintain a list of names of arbitrators qualified by experience and training in the field of labor management negotiations and arbitration. Names on the list may be selected and removed at any time by a majority of the board. In maintaining the list the board shall, to the maximum extent possible, select persons from varying geographical areas of the state. The board shall adopt rules under chapter 14 governing the administration of the arbitration roster.”*

Page 2, lines 8, 19, 21, and 30, strike “shall” and insert “must”

Page 2, line 11, strike “shall” and insert “may”

Page 3, line 6, delete “shall” and insert “must”

Page 4, line 12, strike “shall be” and insert “is”

Page 4, line 32, delete “shall” and insert “must”

Page 5, line 6, delete “shall be regarded as” and insert “constitutes”

Page 5, line 15, before “interest” insert “binding”

Page 5, line 17, delete “shall” and insert “must”

Page 5, lines 18, 29, and 33, before “arbitration” insert “binding”

Page 5, lines 19 and 20, delete “or not”

Page 5, line 30, delete “pursuant to the provisions of” and insert “in accordance with”

Page 5, line 32, after the period, insert “The commissioner shall submit these matters to the board once the 15-day period for the submission of final positions has elapsed, along with any final positions submitted by the parties.”

Page 5, line 36, delete “final”

Page 6, line 1, before the period, insert “during the course of those

efforts”

Page 6, after line 2. insert:

“Sec. 10. Minnesota Statutes 1988, section 179A.16, subdivision 4, is amended to read:

Subd. 4. [CONSTRUCTION OF ARBITRATION PANEL.] The board shall provide the parties to the interest arbitration a list of seven arbitrators. ~~In submitting names of arbitrators to the parties, the board shall try to include names of persons from the geographical area in which the public employer is located.~~ The parties shall, ~~under the direction of the chair of the board,~~ alternately strike names from the list of arbitrators until only ~~three names remain, or if requested by either party, until only~~ a single arbitrator remains, ~~unless the parties request and mutually agree to utilize a panel of three arbitrators.~~ If the parties are unable to agree on who shall strike the first name, the question ~~shall~~ *must* be decided by the flip of a coin. The arbitrator or arbitrators remaining after the striking procedure constitute the arbitration panel.”

Page 6, line 5, strike “shall” and insert “*must*”

Page 6, line 6, strike “which shall provide” and insert “*providing for*”

Page 6, line 7, before “disciplinary” insert “*written*”

Page 6, line 9, strike “shall be” and insert “*are*”

Page 6, line 13, after “*any*” insert “*written*”

Page 7, line 1, delete “9” and insert “12”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after “sections” insert “179.02, by adding a subdivision;” and after “7;” insert “179A.05, subdivision 6;”

Page 1, line 7. delete “and” and after “3” insert “. and 4”

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

Mr. Pehler from the Committee on Education, to which was re-referred

S.F. No. 1020: A bill for an act relating to state government; authorizing the Minnesota Educational Computing Corporation to sell or offer for sale all or substantially all of the assets or any of the ownership of the Minnesota Educational Computing Corporation; clarifying disposition of assets upon dissolution; amending Minnesota Statutes 1988, sections 119.04, subdivision 2, and by adding subdivisions; and 119.09.

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 1988, section 119.04, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The board of directors has the authority to engage in all activities which carry out the public purpose expressed in section 119.01 and which are consistent with sections 119.01 to 119.09. This



authority includes but is not limited to acquiring, leasing, and disposing of real and personal property, establishing banking relationships, borrowing funds, establishing policies relating to personnel and compensation of personnel, and purchasing insurance. The board of directors may form wholly-owned subsidiaries. A subsidiary shall be under the management control of the MECC board of directors. The board of directors shall employ and set the compensation for the chief officer of MECC at not to exceed 95 percent of the salary of the governor as provided by section 15A.081, subdivision 6. The chief officer shall direct and carry on the work of MECC and assignments of the board. The board may establish bylaws and elect an executive committee.

~~The board of directors does not have the power to sell or offer for sale all or substantially all of the assets or any of the ownership of MECC.~~

Sec. 2. Minnesota Statutes 1988, section 119.04, is amended by adding a subdivision to read:

*Subd. 3. [SALE OF CORPORATION.] The board of directors may sell all, substantially all, or part of the assets or any of the ownership of the corporation. When any part is sold, the board shall transfer the assets or ownership that is sold to the purchaser. Upon the sale of all or substantially all of the assets or ownership of the corporation, the board of directors shall dispose of any remaining assets and dissolve the corporation.*

Sec. 3. Minnesota Statutes 1988, section 119.04, is amended by adding a subdivision to read:

*Subd. 4. [DISTRIBUTION OF PROCEEDS.] If all or substantially all of the assets of the corporation are sold, the proceeds of the sale must be applied in the following order:*

- (1) any liabilities and obligations of the corporation must be paid, satisfied, or discharged or adequate provision must be made to do so;*
- (2) the corporation must be reimbursed for all expenses incurred in connection with the offer for sale and the sale of the corporation; and*
- (3) any remaining proceeds must be deposited in the general fund.*

Sec. 4. Minnesota Statutes 1988, section 119.06, subdivision 3, is amended to read:

~~Subd. 3. [EMPLOYEE RETIREMENT AND INSURANCE.] As long as the state owns at least a majority of the assets or ownership of MECC, the department of employee relations shall accept MECC employees in retirement plans and group life, health, and dental insurance plans provided MECC and its employees apply and fully pay the premiums and contributions of these plans. For a period of 90 days after the effective date of this section, employees of the consortium who are members of the Minnesota state retirement system or the teachers retirement association shall be entitled to transfer their accumulated employer and employee contributions, not including interest, from those funds to the state unclassified employees retirement program under chapter 352D. For purposes of coverage under section 352D.02, subdivision 1, MECC employees transferring under this section shall be considered to be unclassified employees of the state.~~

Sec. 5. Minnesota Statutes 1988, section 119.09, is amended to read:

119.09 [DISSOLUTION.]

In the event of the dissolution of MECC for any reason *except a sale of all or substantially all of the assets or ownership of the corporation under section 119.04*, the state of Minnesota, upon action by the governor, after consultation with the legislative advisory commission, shall have the option to require return of all the assets of MECC to the state in exchange for the assumption of all outstanding obligations of MECC.

Sec. 6. [PROCEDURES AND CONDITIONS OF AN OFFER.]

*Subdivision 1. [OFFER REQUIRED.] The board of directors of the Minnesota educational computing corporation, in consultation with the commissioner of finance, shall solicit offers to purchase all or part of the assets or ownership of the corporation according to this section.*

*Subd. 2. [CONDITIONS OF SALE.] Sale of all or any part of the assets of or ownership of the corporation shall be conditioned upon both of the following:*

*(a) The buyer and all subsequent buyers must continue to provide those computing and technology-related products developed by the Minnesota educational computing corporation to Minnesota educational institutions at one-half of the lowest price the products are sold to any non-Minnesota educational institution. Minnesota educational institutions shall maintain the right to unlimited copies of products they purchase.*

*(b) All products existing or substantially developed at the time of the sale shall be copyrighted in the name of the state of Minnesota. The buyer may sell and market copyrighted products.*

*Subd. 3. [EVALUATION METHODS.] Before requesting proposals, the board and the commissioner of finance shall jointly establish:*

*(1) factors to be used in the review and evaluation of proposals from responsible bidders;*

*(2) a method for determining whether or to what degree each factor has been or would be likely to be met;*

*(3) the relative importance of each factor;*

*(4) whether both of the conditions in subdivision 2 are satisfied; and*

*(5) other procedures to be used to review and evaluate proposals.*

*Subd. 4. [PROPOSAL OPTIONS.] The board shall request proposals, according to the procedures and deadlines it determines, for any or a combination of the following:*

*(1) sale of all or substantially all of the assets or ownership of the corporation to a private or public corporation, partnership, or proprietorship;*

*(2) sale of less than one-half of the assets or ownership of the corporation to a private or public corporation, partnership, or proprietorship;*

*(3) sale of all, substantially all, or any part of the assets or ownership of the corporation to the employees of the corporation; and*

*(4) a public offering of the sale of all, substantially all, or any part of the assets or ownership of the corporation.*

*Subd. 5. [PROHIBITION ON PARTICIPATION IN PROPOSALS.] Except for a proposal under subdivision 4, clause (3), no member of the board and no employee in a management position may participate in a proposal*

*submitted to the board according to subdivision 4 unless the member resigns from the board or the employee terminates employment.*

*Subd. 6. [EVALUATION FACTORS.] Factors upon which all proposals received from responsible bidders by the deadline shall be evaluated include, but are not limited to, the following:*

*(1) the price offered by the bidder for any or all of the assets or ownership of the corporation;*

*(2) the extent to which the bidder will assume any liabilities and obligations of the corporation;*

*(3) the ability of the bidder to provide the capital needed to continue providing cost-effective computer technology-related products and services to educational institutions in the state and elsewhere;*

*(4) the ability of the bidder to provide, each year for five years after the date of purchase, capital for research and development in an amount comparable to similar corporations;*

*(5) the ability of the bidder to maintain and expand employment in the state using assets or ownership purchased from the corporation;*

*(6) whether and to what extent the bidder operates, conducts, and significantly contributes to business in the state; and*

*(7) whether the conditions of sale would be met.*

*Subd. 7. [PROCEDURES AND RECOMMENDATIONS.] The board shall review and evaluate all proposals and adopt recommendations. The board may recommend rejection of all proposals. By September 1, 1989, the board shall submit its recommendations and copies of proposals to the commissioner of finance. The commissioner of finance shall contract with an independent evaluator to provide a brief independent market valuation of the corporation. The board shall pay for the independent evaluation. By October 1, 1989, the commissioner of finance shall review the recommendations of the board and the independent evaluation. By November 1, 1989, the commissioner of finance shall submit the recommendations of the board of directors, the independent evaluation, and the recommendations of the commissioner of finance to the legislative auditor. The legislative auditor shall review the recommendations of the board of directors and the commissioner of finance and the independent evaluation and make its recommendations.*

*Subd. 8. [REPORT TO THE LEGISLATURE.] By January 15, 1990, the recommendations of the board of directors, the commissioner of finance, and the legislative auditor, and the independent evaluation shall be submitted to the education committees of the legislature. It is the intention of the legislature to take action relating to the sale of the corporation during the 1990 legislative session."*

Delete the title and insert:

"A bill for an act relating to education; authorizing and establishing procedures for the sale of all or part of the Minnesota Educational Computing Corporation; amending Minnesota Statutes 1988, sections 119.04, subdivision 2, and by adding subdivisions; 119.06, subdivision 3; and 119.09."

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 and Rural Development, to which was re-referred

S.F. No. 281: A bill for an act relating to agriculture; allowing nuisance free, pollution free, aesthetic disposal of solid waste on agricultural land by a person engaged in farming; requiring the pollution control agency to notify the commissioner of agriculture and hold public hearings on rules affecting farming operations; amending Minnesota Statutes 1988, sections 14.115, subdivision 1; and 116.07, subdivision 4; 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, line 25, delete "and" and insert a comma and after " 88.17," insert "and 88.22"

Page 2, after line 3, insert:

"Sec. 3. Minnesota Statutes 1988, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address at least waste reduction, separation, and resource recovery, and shall include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste. *The plans shall describe methods for identifying the portions of the waste stream such as leaves, grass, clippings, tree and plant residue, and paper for application and mixing into the soil and use in agricultural practices.* The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established. The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall

establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 4. Minnesota Statutes 1988, section 115A.48, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The board shall assist and encourage the development of specific facilities, services, and uses needed to provide adequate, stable, and reliable markets for recyclable materials, *solid waste suitable for land application*, 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.

Sec. 5. Minnesota Statutes 1988, section 115A.48, subdivision 2, is amended to read:

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, *solid waste suitable for land application*, 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.

Sec. 6. Minnesota Statutes 1988, section 115A.48, is amended by adding a subdivision to read:

Subd. 4. [LAND APPLICATION OF SOLID WASTE.] *The board shall provide technical assistance and advice to political subdivisions on separating portions of the waste stream such as leaves, grass, clippings, tree and plant residue, and paper for application and mixing into the soil and for use in agricultural practices.*

Page 4, line 29, delete "3" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring planning and providing technical and financial assistance for land application of certain solid wastes;"

Page 1, line 9, after the first semicolon, insert "115A.46, subdivision 2; 115A.48, subdivisions 1, 2, and by adding a subdivision;"

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 678: A bill for an act relating to veterans; providing for establishment of a veterans home in Luverne; 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. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 124: A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; setting fees; imposing a penalty; amending Minnesota Statutes 1988, sections 84.92, by adding subdivisions; 84.922, subdivisions 1 and 5; 84.924, subdivision 3; 84.9256, subdivisions 1, 2, and 3; 84.928, subdivisions 1, 2, and 6; and 84.929; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1988, sections 84.922, subdivision 8; 84.925, subdivision 2; and 84.928, subdivision 7.

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 1988, 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) a 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) a loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) a loss in connection with the assessment and collection of taxes;

(d) a loss caused by snow or ice conditions on a 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) a loss caused by wild animals in their natural state, except as provided in section 3.7371;

(f) a loss other than injury to or loss of property or personal injury or death;

(g) a 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) a loss incurred by a user within the boundaries of the outdoor recreation system and arising from the construction, operation, or maintenance of the outdoor recreation 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 for a loss arising from the construction, operation, maintenance, or administration of grants-in-aid trails as defined in section 85.018, or for a loss arising from the construction, operation, or maintenance of a water access site created by the iron range resources and rehabilitation board, or for any other loss arising from construction on, or the operation, maintenance, or administration of lands administered by the commissioner of natural resources, 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) a loss of benefits or compensation due under a program of public assistance or public welfare, except if state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) a loss based on the failure of a person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(k) a loss based on the usual care and treatment, or lack of care and treatment, of a person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) a loss for which recovery is prohibited by section 169.121, subdivision 9; and

(n) a 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.

Sec. 2. Minnesota Statutes 1988, section 84.92, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 84.92 to ~~84.929 and Laws 1984, chapter 647, section 9 84.9291.~~

Sec. 3. Minnesota Statutes 1988, section 84.92, is amended by adding a subdivision to read:

*Subd. 1b.* [ACCOMPANIED.] "Accompanied" means being subject to continuous direction or control.

Sec. 4. Minnesota Statutes 1988, section 84.92, is amended by adding a subdivision to read:

*Subd. 1c.* [AGRICULTURAL PURPOSE.] "Agricultural purpose" means used exclusively for an agricultural use as defined in subdivision 1d.

Sec. 5. Minnesota Statutes 1988, section 84.92, is amended by adding

a subdivision to read:

*Subd. 1d. [AGRICULTURAL USE.] "Agricultural use" means use in agriculturally related activities or harvesting of wood for commercial or firewood purposes by any person.*

Sec. 6. Minnesota Statutes 1988, section 84.92, is amended by adding a subdivision to read:

*Subd. 1e. [CITY.] "City" means a home rule charter or statutory city.*

Sec. 7. Minnesota Statutes 1988, section 84.92, is amended by adding a subdivision to read:

*Subd. 6a. [PUBLIC ROAD RIGHT-OF-WAY.] "Public road right-of-way" means the entire right-of-way of a public road, including the traveled portions, banks, ditches, shoulders, and medians of a roadway that is not privately owned.*

Sec. 8. Minnesota Statutes 1988, section 84.922, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS.] Unless exempted in subdivision 8 1a, ~~after January 1, 1985,~~ a person may not operate and an owner may not give permission for another to operate an all-terrain vehicle within the state unless the vehicle has been registered. ~~After January 1, 1985, a person may not sell a vehicle without furnishing the buyer a bill of sale on a form prescribed by the commissioner with the commissioner of natural resources, or is exempt from registration.~~

Sec. 9. Minnesota Statutes 1988, section 84.922, is amended by adding a subdivision to read:

*Subd. 1a. [EXEMPTIONS.] All-terrain vehicles exempt from registration are:*

*(1) vehicles owned and used by the United States, the state, another state, or a political subdivision;*

*(2) vehicles registered in another state or country that have not been in this state for more than 30 consecutive days; and*

*(3) vehicles used exclusively in organized track racing events.*

Sec. 10. Minnesota Statutes 1988, section 84.922, is amended by adding a subdivision to read:

*Subd. 2a. [PRIVATE USE REGISTRATION.] All-terrain vehicles may be registered for private use that are used exclusively for private or agricultural use or used exclusively on private property. Private use registration is valid from the date of issuance until ownership of the all-terrain vehicle is transferred. Private or agricultural use registrations are not transferable.*

Sec. 11. Minnesota Statutes 1988, section 84.922, subdivision 5, is amended to read:

*Subd. 5. [FEES FOR REGISTRATION.] (a) The fee for a three-year registration of each an all-terrain vehicle under this section, other than those registered by a dealer or manufacturer under paragraph (b) or (c), is:*

*(1) for public use, \$18 for three years;*



(2) for private use, \$6; and \$4

(3) for a duplicate or transfer, \$4.

(b) The total registration fee for all-terrain vehicles owned by a dealer and operated for demonstration or testing purposes is \$50 per year. Dealer registrations are not transferable.

(c) The total registration fee for all-terrain vehicles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is \$150 per year. Manufacturer registrations are not transferable.

(d) The fees collected under this subdivision must be credited to the all-terrain vehicle account.

Sec. 12. Minnesota Statutes 1988, section 84.924, subdivision 3, is amended to read:

Subd. 3. [ACCIDENT REPORT; REQUIREMENT AND FORM.] The operator and an officer investigating an accident of an all-terrain vehicle involved in an accident resulting in injury requiring medical attention or hospitalization to or death of a person or total damage to an extent of ~~\$100~~ \$300 or more shall promptly within ten days forward a written report of the accident to the commissioner of natural resources on a form prescribed by either the commissioner of natural resources or the commissioner of public safety.

Sec. 13. Minnesota Statutes 1988, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITIONS ON YOUTHFUL OPERATORS.] (a) ~~Despite section 84.928 to the contrary:~~ Except for operation on public road rights-of-way that is permitted under section 84.928, a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

(1) make a direct crossing of a ~~trunk, county state-aid, or county highway as the operator of an all-terrain vehicle, or operate the vehicle upon a street or highway within a municipality~~ a public road right-of-way;

(2) operate an all-terrain vehicle on a public road right-of-way in the state; or

(3) operate an all-terrain vehicle on public lands or waters.

~~(b)~~ (c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied on another all-terrain vehicle by a person over 18 years of age or holding older who holds a valid driver's license. A person under the age of 14 years shall not operate an all-terrain vehicle on public land or water under the jurisdiction of the commissioner unless accompanied by one of the following listed persons on the same vehicle, if designed for more than one person; or an accompanying all-terrain vehicle: the person's parent, legal guardian, or other person 18 years of age or older or holding a valid driver's license.

However, a person 12 years of age or older may operate an all-terrain

vehicle on public lands and waters under the jurisdiction of the commissioner if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner.

(c) ~~A person 14 years of age or older, but less than 16 years of age, may make a direct crossing of a trunk, county state-aid, or county highway only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner or a valid motor vehicle operator's license.~~

*(d) All-terrain vehicle safety certificates issued by the commissioner to persons 12 years old, but less than 16 years old, are not valid for machines in excess of 90cc engine capacity.*

Sec. 14. Minnesota Statutes 1988, section 84.9256, subdivision 2, is amended to read:

Subd. 2. [HELMET REQUIRED.] A person less than ~~16~~ 18 years of age shall not operate an all-terrain vehicle on public land, *public waters, or on a public road right-of-way* unless wearing a safety helmet approved by the commissioner of public safety.

Sec. 15. Minnesota Statutes 1988, section 84.9256, subdivision 3, is amended to read:

Subd. 3. [PROHIBITIONS ON OWNER.] ~~It is unlawful for the~~ An owner of an all-terrain vehicle ~~to permit~~ *may not knowingly allow* it to be operated contrary to this section.

Sec. 16. Minnesota Statutes 1988, section 84.928, subdivision 1, is amended to read:

Subdivision 1. [~~OPERATION ON STREETS AND HIGHWAYS ROADS AND RIGHTS-OF-WAY.~~] (a) A person shall not operate an all-terrain vehicle ~~upon the~~ *along or on the* roadway, shoulder, or inside bank or slope of a public road right-of-way ~~other than in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided unless otherwise allowed~~ in sections 84.92 to 84.929.

*(b) A person may operate an all-terrain vehicle registered for private use and used for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or county highway in this state if the all-terrain vehicle is operated on the extreme right-hand side of the road, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions.*

*(c) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands.*

*(d) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.*

*(e) A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state.*

*Subd. 1a. [CROSSINGS OF A PUBLIC ROAD RIGHT-OF-WAY.]* ~~(b)~~ (a) An all-terrain vehicle may make a direct crossing of a ~~street or highway~~ *public road right-of-way* provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the ~~highway~~ *road* and at a place where no obstruction prevents a quick and safe crossing;

(2) the vehicle is brought to a complete stop before crossing the shoulder or main traveled way of the ~~highway~~ *road*;

(3) the driver yields the right-of-way to all oncoming traffic that constitutes an immediate hazard;

(4) in crossing a divided ~~highway~~ *road*, the crossing is made only at an intersection of the ~~highway~~ *road* with another public ~~street or highway~~ *road*; and

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on.

~~(e)~~ (b) An all-terrain vehicle may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, or *roadway shoulder or inside bank of a public road right-of-way* when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the all-terrain vehicle is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge or *obstacle*, and the crossing is made without undue delay.

~~(d)~~ (c) A person shall not operate an all-terrain vehicle upon a public street or highway unless the vehicle is equipped with at least one headlight and one taillight, each of minimum candlepower as prescribed by rules of the commissioner, ~~with reflector material of a minimum area of 16 square inches mounted on each side forward of the handlebars,~~ and with brakes conforming to standards prescribed by rule of the commissioner, and all of which are subject to the approval of the commissioner of public safety.

~~(e)~~ (d) An all-terrain vehicle may be operated upon a public ~~street or highway~~ *road right-of-way* other than as provided by paragraph ~~(b)~~ (a) in an emergency during the period of time when and at locations where the condition of the roadway renders travel by automobile impractical.

~~(f)~~ (e) Chapter 169 applies to the operation of all-terrain vehicles upon streets and highways, except for those provisions relating to required equipment and except those provisions which by their nature have no application.

~~(g)~~ (f) A sled, trailer, or other device being towed by an all-terrain vehicle must be equipped with reflective materials as required by rule of the commissioner.

(g) *A driver's license is not required to operate an all-terrain vehicle along or on a public road right-of-way, if the right-of-way encompasses a trail administered by the commissioner and designated for all-terrain vehicle use or multiple use.*

(h) *A road authority as defined in section 160.02, subdivision 9, may by permit designate corridor access trails on public road rights-of-way for purposes of accessing established all-terrain vehicle trails. A driver's license is not required to operate an all-terrain vehicle on a designated*

*corridor access trail.*

Sec. 17. Minnesota Statutes 1988, section 84.928, subdivision 2, is amended to read:

Subd. 2. [OPERATION GENERALLY.] ~~It is unlawful for~~ A person ~~to~~ *may not* drive or operate an all-terrain vehicle:

(1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;

(2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;

(3) without headlight and taillight lighted at all times if the vehicle is equipped with headlight and taillight;

(4) without a functioning stoplight if so equipped; ~~or~~

(5) in a tree nursery or planting in a manner ~~which~~ *that* damages or destroys growing stock;

(6) *without a brake operational by either hand or foot;*

(7) *with more persons on the vehicle than it was designed for; or*

(8) *in a manner that violates operation rules adopted by the commissioner.*

Sec. 18. Minnesota Statutes 1988, section 84.928, subdivision 6, is amended to read:

Subd. 6. [REGULATIONS BY POLITICAL SUBDIVISIONS.] ~~Despite any provision in this section (a) Notwithstanding any law to the contrary, a county board, by resolution, may permit the operation of all-terrain vehicles upon the roadway, shoulder, or inside bank or slope of a county highway or county state aid highway if the roadway is in the agricultural zone or if safe operation in the ditch or outside bank or slope of the highway is impossible, in which case the county board shall provide appropriate notice city or town, acting through its governing body, may by ordinance prohibit the operation of all-terrain vehicles on city streets or town roads in its jurisdiction provided the regulations are otherwise consistent with sections 84.92 to 84.929.~~

(b) A county or city, or a town acting by its town board, may regulate the operation of all-terrain vehicles on public lands, waters, and property under its jurisdiction ~~and on streets and highways other than public road rights-of-way~~ within its boundaries, by ~~resolution or ordinance~~ of the governing body and by giving appropriate notice, provided:

(1) the regulations ~~are must be~~ consistent with sections 84.92 to 84.929 and rules adopted under section 84.924. ~~However, the local governmental unit may not adopt:~~

(2) an ordinance ~~which (1) imposes may not impose~~ a fee for the use of public land or water under the jurisdiction of either the department of natural resources or other agency of the state, or for the use of an access to it owned by the state or a county or a city; ~~or (2) requires; and~~

(3) *an ordinance may not require* an all-terrain vehicle operator to possess a motor vehicle driver's license while operating an all-terrain vehicle.

(c) *Notwithstanding any law to the contrary, a county board by ordinance may allow the operation of all-terrain vehicles on the road right-of-way*

shoulder, or inside bank or slope of a county highway or county state-aid highway, if:

- (1) the highway is in the agricultural zone; or
- (2) safe operation in the ditch or outside slope is impossible, and the county posts the appropriate notice.

Sec. 19. Minnesota Statutes 1988, section 84.929, is amended to read:

84.929 [PENALTIES.]

Any person who violates any provision of sections ~~84.922, 84.923, and 84.925~~ 84.92 to 84.928 or rules of the commissioner is guilty of a petty misdemeanor.

Sec. 20. [84.929] [COSTS AND FEES.]

*The court shall award direct legal costs resulting from a lawsuit, including reasonable attorney fees, to a public or private owner, lessee, permittee, or occupant, who is determined not to be liable for injury to a person or property arising from operation of a vehicle that is subject to sections 84.92 to 84.929.*

Sec. 21. Minnesota Statutes 1988, section 171.03, is amended to read:

171.03 [PERSONS EXEMPT.]

The following persons are exempt from license hereunder:

(1) Any person in the employ or service of the United States federal government while driving or operating a motor vehicle owned by or leased to the United States federal government;

(2) Any person while driving or operating any farm tractor, or implement of husbandry temporarily operated or moved on a highway. *For purposes of this section an all-terrain vehicle as defined in section 84.92, subdivision 8, is not an implement of husbandry;*

(3) A nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver;

(4) Any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, only for a period of not more than 90 days in any calendar year if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of such nonresident;

(5) Any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or province or by military authorities of the United States may operate a motor vehicle as a driver, only for a period of not more than 60 days after becoming a resident of this state without being required to have a Minnesota driver's license as provided in this chapter;

(6) Any person operating a snowmobile, as defined in section 84.81.

Sec. 22. [REPEALER.]

*Minnesota Statutes 1988, sections 84.922, subdivision 8; 84.925, subdivision 2; and 84.928, subdivision 7, are repealed."*

Delete the title and insert:

"A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; setting fees; revising liability provisions; imposing a penalty; amending Minnesota Statutes 1988, sections 3.736, subdivision 3; 84.92, subdivision 1, and by adding subdivisions; 84.922, subdivisions 1 and 5, and by adding subdivisions; 84.924, subdivision 3; 84.9256, subdivisions 1, 2, and 3; 84.928, subdivisions 1, 2, and 6; 84.929; and 171.03; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1988, sections 84.922, subdivision 8; 84.925, subdivision 2; and 84.928, subdivision 7."

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

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

H.F. No. 819: A bill for an act relating to Hennepin county; providing for the number of commissioners of the county housing and redevelopment authority; amending Minnesota Statutes 1988, section 383B.77, by adding a subdivision.

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. 1202: A bill for an act relating to metropolitan government; restructuring the regional transit board and the metropolitan transit commission; directing the board to plan and coordinate light rail transit systems in the metropolitan area; directing the commission to operate any light rail transit systems; transferring responsibility for distribution of the transit assistance fund and for receipt of federal grants to the board; amending Minnesota Statutes 1988, sections 174.32, subdivision 2; 473.169, subdivisions 3, 4, 5, and by adding subdivisions; 473.373, by adding a subdivision; 473.375, subdivision 8, and by adding a subdivision; 473.404, subdivisions 2 and 3; and 473.4051; repealing Minnesota Statutes 1988, sections 473.1691; 473.17; 473.373, subdivision 4; and 473.398.

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

Page 4, after line 5, insert:

"Sec. 5. Minnesota Statutes 1988, section 473.169, is amended by adding a subdivision to read:

*Subd. 4b. [SPECIAL ELIGIBILITY PROVISION.] Notwithstanding section 174.32, subdivision 2; this section; and section 473.375, a regional rail authority that has developed a comprehensive plan and has expended funds for preliminary design of a light rail transit system is eligible for state assistance if those plans were consistent with the metropolitan long-range transportation plans in existence on January 1, 1989. Section 174.32, subdivision 2; this section; and section 473.375 may not be interpreted or relied on by any person, political subdivision, or agency to delay the planning, engineering, or construction of a regional rail authority's light rail system. If a regional rail authority is an eligible recipient of federal funds and the secretary of transportation preliminarily awards or indicates*

*an intent to award federal funds to the regional rail authority for a light rail transit system, then no plans of the regional transit board shall interfere with that award."*

Page 5, line 20, delete "*the city of*"

Page 5, line 21, delete "*Minneapolis*" and insert "*Anoka county*"

Page 5, line 22, delete "*the city of St.*"

Page 5, line 23, delete "*Paul*" and insert "*Dakota county*"

Page 5, line 33, delete everything after "*area*"

Page 5, line 34, delete everything before the period

Page 5, line 36, delete "*and*" and insert a comma and after "*area*" insert "*, and the governing bodies of the cities of Minneapolis and St. Paul*"

Page 6, lines 17 and 18, reinstate the stricken language

Page 6, line 19, reinstate everything before the stricken "*The*"

Page 8, lines 32 and 33, delete "*7*" and insert "*8*"

Page 8, line 36, delete "*Minneapolis and St. Paul*" and insert "*Anoka and Dakota counties*"

Page 9, line 6, delete "*7*" and insert "*8*"

Page 9, line 8, delete "*11*" and insert "*12*"

Page 9, lines 9 and 10, delete "*10*" and insert "*11*"

Page 9, after line 11, insert:

"Sec. 15. [TRANSIT DELIVERY STUDY.]

*Subdivision 1. [STUDY REQUIRED.] The regional transit board shall conduct a study of methods to improve the delivery of transportation services for the elderly, handicapped, and disabled, including persons with permanent sensory or mental impairments, whose transit needs cannot be fully accommodated through the use of existing public transit alternatives. The board shall direct its staff to:*

*(1) evaluate the adequacy of service currently being provided;*

*(2) document the levels of service currently being provided for programs under the jurisdiction of the department of human services;*

*(3) assess the adequacy of financial assistance being provided by the department of human services for the provision of these transportation services;*

*(4) evaluate the potential for integrating metro mobility with other specialized transit;*

*(5) assess the role of nonprofits in providing cost-effective service;*

*(6) identify transit issues for special populations in suburban areas;*

*(7) identify and evaluate options for a formal appeals process to challenge decisions by the board to eliminate or reduce service to clients; and*

*(8) evaluate the efficiency and usefulness of the current metro mobility administrative center computer system and identify suggestions for*

*improvement.*

*Subd. 2. [COMMUNITY INVOLVEMENT.] The board shall actively involve interested parties in this process, including but not limited to:*

- (1) members of the transportation handicapped advisory committee;*
- (2) representatives of the department of human services;*
- (3) members of the transit providers advisory committee;*
- (4) representatives of nonprofit transit and social service providers;*
- (5) organizations representing the elderly, handicapped, and disabled communities; and*
- (6) interested members of the general public.*

*Subd. 3. [REPORT.] The board shall report its findings and recommendations, along with all supporting data and public comment, to the chairs of the house of representatives and senate transportation committees by December 1, 1989."*

Page 9, line 16, delete "14" and insert "16"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "requiring a transit delivery study:"

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. 1060, 1144, 500, 1106, 1270, 119, 695, 1082, 808, 1302, 632, 863, 631, 855, 109, 870, 1242, 778, 1047, 1075, 796, 1145, 809, 712, 661, 1271, 453, 1269, 858, 490, 840, 1139, 936, 1080, 1260 and 281 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 774 and 819 were read the second time.

## MOTIONS AND RESOLUTIONS

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

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

Ms. Berglin moved that the name of Mr. Marty be added as a co-author to S.F. No. 91. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Pehler be added as a co-author to S.F. No. 343. The motion prevailed.

Mr. Freeman moved that his name be stricken as a co-author to S.F. No. 365. The motion prevailed.



Mr. Vickerman moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 475. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 678. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 705. The motion prevailed.

Mr. Dahl moved that the name of Mr. Marty be added as a co-author to S.F. No. 824. The motion prevailed.

Mr. Dicklich moved that the names of Ms. Piper and Mr. Solon be added as co-authors to S.F. No. 832. The motion prevailed.

Mr. Samuelson moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 847. The motion prevailed.

Mr. Morse moved that the name of Mr. Marty be added as a co-author to S.F. No. 1027. The motion prevailed.

Ms. Piper moved that the name of Mr. Spear be added as a co-author to S.F. No. 1106. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Marty be added as a co-author to S.F. No. 1156. The motion prevailed.

Mr. Moe, R.D. moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1189. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 1322. The motion prevailed.

Mr. Frank moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1334. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Marty be added as a co-author to S.F. No. 1344. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 1354. The motion prevailed.

Mr. Belanger moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 1372. The motion prevailed.

Mr. Berg moved that the names of Messrs. Frederickson, D.J. and Frederickson, D.R. be added as co-authors to S.F. No. 1378. The motion prevailed.

Mr. Brandl moved that S.F. No. 1347 be withdrawn from the Committee on Local and Urban Government and returned to its author. The motion prevailed.

Mr. Laidig introduced—

Senate Resolution No. 95: A Senate resolution commending the young people of Trinity Lutheran Church, of Stillwater, Minnesota, for their dedicated work in Estancia, Mexico.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 96: A Senate resolution congratulating the Farmers and Merchants State Bank, of Paynesville, Minnesota, on its 25th Anniversary.

Referred to the Committee on Rules and Administration.

Mr. Pehler moved that the name of Mr. Moe, D.M. be added as a co-author to S.F. No. 365. The motion prevailed.

Mr. Chmielewski moved that the name of Ms. Piper be added as a co-author to S.F. No. 1097. The motion prevailed.

Mr. Luther moved that the name of Mr. Marty be added as a co-author to S.F. No. 1382. The motion prevailed.

Mr. Pogemiller moved that S.F. No. 1242, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

S.F. No. 156 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 156

A bill for an act relating to gambling; authorizing the governor to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3.

March 29, 1989

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. 156, 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. 156 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [3.9221] [INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.]

*Subdivision 1. [DEFINITION.] For purposes of this section, “act” means the Indian gaming regulatory act, Public Law Number 100-497, and future amendments to it.*

*Subd. 2. [NEGOTIATIONS AUTHORIZED.] The governor or the governor’s designated representatives shall, pursuant to section 11 of the act, negotiate in good faith a tribal-state compact regulating the conduct of class III gambling, as defined in section 4 of the act, on Indian lands of a tribe requesting negotiations. The agreement may include any provision authorized under section 11(d)(3)(C) of the act. The attorney general is the legal counsel for the governor or the governor’s representatives in regard to negotiating a compact under this section.*

*Subd. 3. [TIME LIMITS.] (a) In the case of negotiations undertaken pursuant to a request for negotiations received before the effective date of this act, the authority granted under subdivision 2 to negotiate with an*

*Indian tribe expires 180 days after the effective date of this act.*

*(b) In the case of negotiations undertaken pursuant to a request for negotiations received after the effective date of this act, the authority granted under subdivision 2 to negotiate with an Indian tribe expires 180 days after receipt of the request by the governor.*

*Subd. 4. [REPORT.] The governor or the governor's representatives authorized to negotiate under subdivision 2 must, before signing any compact with an Indian tribe on behalf of the state, report on the contents of the compact to the senate committee on general legislation and public gaming and the house committee on general legislation, veterans affairs and gaming, and obtain a vote of approval for the compact from each committee voting separately.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to gambling; authorizing the governor or the governor's representatives to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3."

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

Senate Conferees: (Signed) Marilyn M. Lantry, Randolph W. Peterson, Fritz Knaak

House Conferees: (Signed) Joseph Quinn, Becky Kelso

Mrs. Lantry moved that the foregoing recommendations and Conference Committee Report on S.F. No. 156 be now adopted and that the bill be repassed as amended by the Conference Committee.

Mr. Merriam moved that the recommendations and Conference Committee Report on S.F. No. 156 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

## CALENDAR

S.F. No. 717: A bill for an act relating to financial institutions; permitting banks to perform clerical services at off-premises data processing and storage centers; proposing coding for new law in Minnesota Statutes, chapter 48.

Was read the third time 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	Knaak	Moe, D.M.	Samuelson
Belanger	DeCramer	Knutson	Morse	Schmitz
Benson	Dicklich	Kroening	Olson	Solon
Berg	Diessner	Laidig	Pariseau	Spear
Berglin	Frank	Lantry	Pehler	Storm
Bernhagen	Frederick	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Luther	Peterson, R.W.	Taylor
Brandl	Frederickson, D.R.	Marty	Piper	Vickerman
Brataas	Freeman	McGowan	Pogemiller	Waldorf
Chmielewski	Gustafson	McQuaid	Purfeerst	
Cohen	Hughes	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 106: A bill for an act relating to game and fish; selection process for wild turkey license holders; 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 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	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Knutson	Morse	Samuelson
Benson	Dicklich	Kroening	Novak	Schmitz
Berg	Diessner	Laidig	Olson	Solon
Berglin	Frank	Lantry	Pariseau	Spear
Bernhagen	Frederick	Larson	Pehler	Storm
Bertram	Frederickson, D.J.	Luther	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Marty	Peterson, R.W.	Vickerman
Brataas	Freeman	McGowan	Piper	Waldorf
Chmielewski	Gustafson	McQuaid	Pogemiller	
Cohen	Hughes	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 69: A bill for an act relating to education; requiring a school district to make reasonable efforts to accommodate a pupil who wishes to be absent from school for religious observances; proposing coding for new law in Minnesota Statutes, chapter 120.

Was read the third time 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	Reichgott
Anderson	Davis	Johnson, D.J.	Metzen	Renneke
Beckman	Decker	Knaak	Morse	Samuelson
Belanger	DeCramer	Knutson	Novak	Schmitz
Benson	Dicklich	Kroening	Olson	Solon
Berg	Diessner	Laidig	Pariseau	Spear
Berglin	Frank	Lantry	Pehler	Storm
Bernhagen	Frederick	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Brandl	Frederickson, D.R.	Marty	Piper	Waldorf
Brataas	Freeman	McGowan	Pogemiller	
Chmielewski	Gustafson	McQuaid	Purfeerst	
Cohen	Hughes	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

S.F. No. 911: A bill for an act relating to counties; making explicit that the laws and rules that pertain to deputy registrars of motor vehicles also apply to county license bureaus; amending Minnesota Statutes 1988, section 373.35, 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 508: A bill for an act relating to local government; permitting statutory cities to have seven member councils; amending Minnesota Statutes 1988, sections 412.02, subdivision 1, and by adding a subdivision: 412.021, subdivision 2; 412.191, subdivisions 1 and 2; 412.541, subdivision 4; 412.571, subdivisions 1 and 4; 412.581; and 412.631.

Was read the third time 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	Johnson, D.J.	Metzen	Renneke
Anderson	Davis	Knaak	Moe, D.M.	Samuelson
Beckman	Decker	Knutson	Morse	Schmitz
Belanger	DeCramer	Kroening	Novak	Solon
Benson	Diessner	Laidig	Olson	Spear
Berg	Frank	Lantry	Pariseau	Storm
Berglin	Frederick	Larson	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Marty	Peterson, R.W.	Waldorf
Brandl	Freeman	McGowan	Piper	
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 937: A bill for an act relating to commerce; uniform commercial code; providing a 20-day notice period for certain fixture filings; amending Minnesota Statutes 1988, section 336.9-313.

Was read the third time 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	Morse	Samuelson
Anderson	Davis	Knutson	Novak	Schmitz
Beckman	Decker	Kroening	Olson	Solon
Belanger	DeCramer	Laidig	Pariseau	Spear
Benson	Frank	Lantry	Pehler	Storm
Berg	Frederick	Larson	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Taylor
Bernhagen	Frederickson, D.R.	Marty	Piper	Vickerman
Bertram	Freeman	McGowan	Pogemiller	Waldorf
Brandl	Gustafson	McQuaid	Purfeerst	
Brataas	Hughes	Mehrkens	Ramstad	
Chmielewski	Johnson, D.E.	Metzen	Reichgott	
Cohen	Johnson, D.J.	Moe, D.M.	Renneke	

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. Vickerman and Lessard introduced—

S.F. No. 1384: A bill for an act relating to game and fish; season opening date for certain game fish; amending Minnesota Statutes 1988, section 97C.395, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Knaak, Ms. Olson, Messrs. McGowan and Mehrkens introduced—

S.F. No. 1385: A bill for an act relating to education; restoring state aid for teacher F.I.C.A. and retirement; changing the training and experience revenue; restoring cuts in the special education aid formula; appropriating money; amending Minnesota Statutes 1988, sections 124.32, subdivision 1b; 124.574, subdivision 2b; 124A.22, subdivisions 2, 4, and 9; 124A.23, subdivision 1; and 275.125, subdivision 8c; proposing coding for new law in Minnesota Statutes, chapters 124 and 124A.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 1386: A bill for an act relating to education; authorizing a special capital loan for independent school district No. 314, Braham; appropriating money.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 1387: A bill for an act relating to air pollution; requiring a fee for certain air emissions; requiring the adoption of rules; creating a metropolitan air quality monitoring fund; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon, Luther, Freeman, Storm and Kroening introduced—

S.F. No. 1388: A bill for an act relating to motor vehicles; defining the effect of certain leases; amending Minnesota Statutes 1988, section 168A.17, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Frederickson, D.J. introduced—

S.F. No. 1389: A bill for an act relating to agriculture; requiring the labeling of paddy-grown wild rice and natural wild rice; establishing an Indian wild rice promotion council; providing penalties; appropriating money; amending Minnesota Statutes 1988, section 30.49; proposing coding for new law in Minnesota Statutes, chapter 30.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Davis, Samuelson, Bertram and Morse introduced—

S.F. No. 1390: A bill for an act relating to agriculture; authorizing the commissioner to investigate cheese marketing arrangements; amending Minnesota Statutes 1988, section 17.03, by adding a subdivision.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Davis, Samuelson, Bertram and Morse introduced—

S.F. No. 1391: A resolution memorializing the President and Congress to assure fair treatment for Minnesota dairy farmers.

Referred to the Committee on Agriculture and Rural Development.

Mses. Peterson, D.C.; Reichgott and Mr. Luther introduced—

S.F. No. 1392: A bill for an act relating to insurance; requiring property and casualty insurance companies to provide support for use of underwriting standards; prohibiting the use of underwriting standards that are arbitrary, capricious, or unfairly discriminatory; requiring the commissioner to report to the legislature on certain matters; amending Minnesota Statutes 1988, section 72A.20, subdivision 19, and by adding a subdivision.

Referred to the Committee on Commerce.

Ms. Piper introduced—

S.F. No. 1393: A bill for an act relating to traffic regulations; exempting certain combinations hauling milk from seasonal load restrictions; amending Minnesota Statutes 1988, section 169.87, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Benson introduced—

S.F. No. 1394: A bill for an act relating to the county of Olmsted; providing for approval of certain conveyancing instruments by county zoning administrator.

Referred to the Committee on Local and Urban Government.

Messrs. Merriam, Pehler, Luther, Ms. Peterson, D.C. and Mr. McGowan introduced—

S.F. No. 1395: A bill for an act relating to controlled substances; requiring the bureau of criminal apprehension to develop a peace officer training program in drug abuse resistance education; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

Mr. Ramstad introduced—

S.F. No. 1396: A bill for an act relating to local government; regulating storm sewer improvements in Plymouth and Golden Valley; amending Laws 1979, chapter 303, article 10, section 15.

Referred to the Committee on Local and Urban Government.

Mr. Bertram introduced—

S.F. No. 1397: A bill for an act relating to agriculture; authorizing townships to suspend certain noxious weed laws during drought; proposing coding for new law in Minnesota Statutes, chapter 18.

Referred to the Committee on Agriculture and Rural Development.

Mr. Anderson introduced—

S.F. No. 1398: A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

Referred to the Committee on Commerce.

Mr. Anderson introduced—

S.F. No. 1399: A bill for an act relating to health; authorizing swing beds in rural hospitals with 50 to 100 beds; amending Minnesota Statutes 1988, section 144.562, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Ramstad and Luther introduced—

S.F. No. 1400: A bill for an act relating to probate; providing right to counsel in certain guardianship and conservatorship proceedings; proposing coding for new law in Minnesota Statutes, chapter 525.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 1401: A bill for an act relating to economic development; changing the requirements for loans to Indians; amending Minnesota Statutes 1988, section 116J.64, subdivision 7.

Referred to the Committee on Economic Development and Housing.



Messrs. Anderson, Mehrkens, Vickerman and Mrs. Adkins introduced—

S.F. No. 1402: A bill for an act relating to taxation; property; extending the homestead and agricultural credit to taxes payable after 1989; abolishing transition aid; repealing increases in income maintenance payments; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2131, subdivision 3; 124.2139; 124A.02, subdivision 3a; 256.01, subdivision 2; 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.091, subdivision 8; 256B.15; 256B.19, subdivisions 1 and 2; 256D.03, subdivisions 2 and 6; 256D.04; 256D.36, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 22 and 23; 273.132, subdivisions 1, 2, and 5; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1398, subdivisions 1, 3, and 6; 273.165, subdivision 2; 275.065, subdivision 2; 275.07, subdivision 1; 275.08, subdivisions 1a and 1b; 275.50, subdivision 5; 275.51, subdivisions 3f and 3h; 276.04, subdivision 2; 290A.04, subdivision 2; 393.07, subdivisions 2 and 10; 473.446, subdivision 1; 473F02, subdivision 23; 473F05; 473F06; 473F07, subdivisions 1, 4, and 5; 473F08, subdivisions 1, 2, 3a, 4, 5, 6, and 10; 473F10; 477A.011, subdivisions 15 and 20; and 477A.013, subdivision 3; Laws 1988, chapter 719, article 5, sections 81 and 84; repealing Minnesota Statutes 1988, sections 256.017; 256.018; 256.019; 273.13, subdivision 21a; 273.135, subdivision 2a; 273.1391, subdivision 2a; 273.1398, subdivisions 2 and 5; 275.07, subdivision 3; 275.08, subdivision 1c; 290A.04, subdivision 2b; and Laws 1988, chapter 719, article 8, sections 32, 33, 34, 35, and 36.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1403: A bill for an act relating to natural resources; establishing a state shoreland management grant program; authorizing grants-in-aid to local government units; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 105.

Referred to the Committee on Environment and Natural Resources.

Messrs. Davis; Frank; Beckman; Frederickson, D.R. and Frederickson, D.J. introduced—

S.F. No. 1404: A bill for an act relating to rural development; providing for a rural community needs assessment model; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Mr. Diessner, Ms. Piper, Messrs. Chmielewski and Gustafson introduced—

S.F. No. 1405: A bill for an act relating to workers' compensation; regulating rehabilitation and medical treatment in cases of serious injury; establishing medical treatment review panels; amending Minnesota Statutes

1988, section 176.102, subdivision 4; and 176.135, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Employment.

Messrs. Pehler; Frederickson, D.J.; Ms. Peterson, D.C.; Messrs. Ramstad and Peterson, R.W. introduced—

S.F. No. 1406: A bill for an act relating to education; creating an office within the department of education to coordinate efforts to transform education systems; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Solon introduced—

S.F. No. 1407: A bill for an act relating to liquor; requiring notice and hearing before liquor license fees are increased; amending Minnesota Statutes 1988, section 340A.408, by adding a subdivision.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 1408: A bill for an act relating to local government; requiring political subdivisions to request proposals for group insurance coverage; amending Minnesota Statutes 1988, section 43A.316, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1988, section 471.616.

Referred to the Committee on Local and Urban Government.

Ms. Berglin introduced—

S.F. No. 1409: A bill for an act relating to health; clarifying that the national examination that a person must pass to become licensed to practice medicine must be a comprehensive examination for initial licensure; amending Minnesota Statutes 1988, section 147.02, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Metzen introduced—

S.F. No. 1410: A bill for an act relating to taxation; allocating motor vehicle excise tax proceeds; amending Minnesota Statutes 1988, section 297B.09, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Morse; DeCramer; Berg; Frederickson, D.J. and Vickerman introduced—

S.F. No. 1411: A bill for an act relating to agriculture; providing for arbitration of seed claims; proposing coding for new law in Minnesota Statutes, chapter 21.

Referred to the Committee on Agriculture and Rural Development.

Mr. Bertram introduced—

S.F. No. 1412: A bill for an act relating to game and fish; allowing previously licensed shooting preserves to be exempt from certain pheasant release provisions; amending Minnesota Statutes 1988, section 97A.121, subdivision 4a.

Referred to the Committee on Environment and Natural Resources.

Mr. Diessner introduced—

S.F. No. 1413: A bill for an act relating to the organization and operation of state government; requiring review of agency rules by committees of the senate; proposing coding for new law in Minnesota Statutes, chapter 14.

Referred to the Committee on Rules and Administration.

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

S.F. No. 1414: A bill for an act relating to state employees; providing a policy prohibiting racial harassment; requiring discipline for employees who engage in racial harassment; amending Minnesota Statutes 1988, section 43A.01, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Dahl introduced—

S.F. No. 1415: A bill for an act relating to health; appropriating money for a study of radium in public water supplies.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 1416: A bill for an act relating to workers' compensation; regulating insurance for truckers and loggers; imposing a tax on certain purchasers of wood to subsidize insurance costs of loggers; regulating coverages and rates; appropriating money; amending Minnesota Statutes 1988, sections 79.251, subdivision 3; 79.252, by adding a subdivision; 176.011, by adding a subdivision; 176.041, subdivision 1; 176.102, by adding a subdivision; 176.184, by adding a subdivision; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; proposing coding for new law as Minnesota Statutes, chapter 297E.

Referred to the Committee on Employment.

Mr. Novak introduced—

S.F. No. 1417: A bill for an act relating to state lands; authorizing the sale of certain state lands bordering on public waters; authorizing the sale of certain trust fund land in Itasca, St. Louis, and Cook counties; authorizing the sale of certain surplus land for recreational purposes in the cities of Faribault, Anoka, Warroad, and Ortonville; authorizing the sale of a certain gifted city lot in the city of Brainerd; authorizing a private sale of certain land in Goodhue county to resolve an inadvertent trespass.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 1418: A bill for an act relating to metropolitan government; requiring the metropolitan council to prepare water use and supply plans; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Environment and Natural Resources.

Mr. Waldorf introduced—

S.F. No. 1419: A bill for an act relating to utilities; providing for extended area telephone service in the metropolitan area.

Referred to the Committee on Public Utilities and Energy.

Messrs. Vickerman, Schmitz, Novak and Metzen introduced—

S.F. No. 1420: A bill for an act relating to highways; abolishing authority of a city to disapprove the abandonment, change, or revocation of a county state-aid highway; providing that 30 percent of the county state-aid highway fund be apportioned on the basis of lane-miles; changing the composition of the county state-aid screening board; amending Minnesota Statutes 1988, sections 162.02, subdivision 10; and 162.07, subdivisions 1 and 5.

Referred to the Committee on Transportation.

Mr. Cohen introduced—

S.F. No. 1421: A bill for an act relating to taxation; sales; providing an exemption for certain building materials; providing for a refund; amending Minnesota Statutes 1988, sections 297A.15, by adding a subdivision; and 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Brataas, Mr. Brandl, Ms. Piper, Mmes. Lantry and Adkins introduced—

S.F. No. 1422: A bill for an act relating to occupations and professions; changing licensure requirements for dental assistants; changing the procedure for setting the salary of the director of the board of dentistry; amending Minnesota Statutes 1988, sections 150A.06, subdivision 2a; and 214.04, subdivision 3; repealing Minnesota Statutes 1988, section 150A.06, subdivision 7.

Referred to the Committee on Health and Human Services.

Messrs. Pehler, Langseth and Vickerman introduced—

S.F. No. 1423: A bill for an act relating to education; appropriating money to HECB for child care services for post-secondary students.

Referred to the Committee on Education.

Messrs. Morse, DeCramer, Decker and Hughes introduced—

S.F. No. 1424: A bill for an act relating to education; making the minimum wages for student employees of a state university \$5 per hour by the 1991-1992 school year; amending Minnesota Statutes 1988, section 136.11, by adding a subdivision.

Referred to the Committee on Employment.

Messrs. DeCramer, Taylor, Decker and Morse introduced—

S.F. No. 1425: A bill for an act relating to education; imposing requirements on certain student loan programs; appropriating money; amending Minnesota Statutes 1988, section 136A.141.

Referred to the Committee on Education.

Messrs. Taylor, DeCramer, Decker, Langseth and Hughes introduced—

S.F. No. 1426: A bill for an act relating to education; appropriating money to the HECB for the equivalent of four years of financial aid for post-secondary students.

Referred to the Committee on Education.

Messrs. Hughes, Marty, Pogemiller, Taylor and Dicklich introduced—

S.F. No. 1427: A bill for an act relating to education; requesting the regents of the University of Minnesota to establish a program; appropriating money.

Referred to the Committee on Education.

Mr. Solon introduced—

S.F. No. 1428: A bill for an act relating to health; requiring health maintenance organizations to accept as providers all pharmacies agreeing to contract terms; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Mr. Langseth introduced—

S.F. No. 1429: A bill for an act relating to retirement; judges; permitting judges drawing deferred benefits from the public employees retirement association to qualify upon retirement as a judge for a combined service annuity from the association and the judges retirement fund by repaying all benefits paid by the association.

Referred to the Committee on Governmental Operations.

Messrs. Purfeerst, Samuelson and Mehrkens introduced—

S.F. No. 1430: A bill for an act relating to human services; designating the Faribault Regional Center to provide special services to certain persons who are developmentally disabled, mentally ill or brain-injured; expanding skilled nursing care at the facility; authorizing special crisis and respite care; expanding the authority of regional centers and state nursing homes to enter into shared services agreements; authorizing regional centers and state nursing homes to provide professional services for a fee; creating a revolving fund; authorizing establishment of additional state-operated community programs; appropriating money; amending Minnesota Statutes 1988, sections 245.0311; 245.0312; 246.50, subdivisions 3, 4, and by adding a subdivision; 246.57; 252.50; and 253.015; proposing coding for new law

in Minnesota Statutes, chapter 246; proposing coding for new law as Minnesota Statutes, chapter 252B.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1431: A bill for an act relating to insurance; property and casualty; regulating policy provisions, forms, nonrenewals, coverages; regulating trade practices in these and other lines; regulating the Minnesota joint underwriting association; making certain technical changes; amending Minnesota Statutes 1988, sections 60A.02, by adding a subdivision; 60A.06, by adding a subdivision; 60A.08, by adding a subdivision; 60A.198, subdivision 3; 62I.02, subdivision 2; 62I.16, subdivision 3; 65A.29, subdivision 8, and by adding subdivisions; 65A.33, subdivision 3; 65B.15, subdivision 1; 65B.44, subdivision 3; 65B.47, subdivision 1; 65B.525, subdivision 1; 72A.20, subdivision 17, and by adding subdivisions; 72A.201, subdivision 5, and by adding subdivisions; and 79.251, by adding a subdivision; repealing Minnesota Rules, part 2780.2700.

Referred to the Committee on Commerce.

Messrs. Luther, Pehler, Stumpf and Langseth introduced—

S.F. No. 1432: A bill for an act relating to courts; authorizing appointment of a law clerk for each judge in the seventh judicial district; amending Minnesota Statutes 1988, section 484.545, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Dicklich, Marty, Ms. Piper and Mr. Decker introduced—

S.F. No. 1433: A bill for an act relating to utilities; low-income energy needs; designating the department of public service as the agency responsible for coordinating energy policy for low-income Minnesotans; requiring the department to gather certain information on low-income energy programs; prescribing certain uses for oil overcharge money; appropriating money; amending Minnesota Statutes 1988, sections 216B.241, subdivisions 1 and 2; 216C.02, subdivision 1; 216C.10; 216C.11; 216C.27, by adding a subdivision; and 504.185, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

Mr. Dicklich introduced—

S.F. No. 1434: A bill for an act relating to alcoholic beverages; eliminating nonintoxicating malt liquor licenses; authorizing the issuance of malt liquor licenses; providing for restrictions on the issuance of malt liquor licenses; amending Minnesota Statutes 1988, sections 28A.16; 182.651, subdivision 18; 297A.02, subdivision 3; 340A.101, subdivisions 10 and 14; 340A.301, subdivisions 1, 6, and 7; 340A.308; 340A.310; 340A.311; 340A.402; 340A.403, subdivisions 1 and 2; 340A.404, subdivision 5; 340A.4055; 340A.407; 340A.408, subdivisions 1, 4, and 5; 340A.409, subdivision 4; 340A.410, subdivision 8; 340A.411; 340A.412, subdivision 6; 340A.413, subdivision 4; 340A.414, subdivision 2; 340A.503, subdivision 1; 340A.504, subdivisions 1 and 6; 340A.508, subdivision 2; 340A.601, subdivision 1; 340A.903; 624.701, subdivision 1; and 624.731, subdivision 5; repealing

Minnesota Statutes 1988, sections 340A.101, subdivision 19; and 340A.403, subdivision 3.

Referred to the Committee on Commerce.

Messrs. Freeman, Pehler, Frank and Ms. Piper introduced—

S.F. No. 1435: A bill for an act relating to employment; prohibiting termination of sales representative agreements under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Employment.

Mr. Dahl introduced—

S.F. No. 1436: A bill for an act relating to the Coon Creek watershed district; authorizing the district to decide not to charge certain expenses to individual ditches; allowing imposition of an ad valorem tax on ditch 57.

Referred to the Committee on Environment and Natural Resources.

Messrs. Moe, D.M.; Peterson, R.W. and Waldorf introduced—

S.F. No. 1437: A bill for an act relating to retirement; general employee groups; establishing a Minnesota individual retirement plan for newly hired employees and certain transferees; appropriating money; amending Minnesota Statutes 1988, sections 352D.01; 352D.015; and 352D.09, subdivisions 1, 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 352D; proposing coding for new law as Minnesota Statutes, chapters 353E; 354C; 354D; and 356A; repealing Minnesota Statutes 1988, sections 352D.02; 352D.03; 352D.04; 352D.05; 352D.06; 352D.065; 352D.075; 352D.085; 352D.09, subdivisions 5, 6, and 7; 352D.11; and 352D.12.

Referred to the Committee on Governmental Operations.

Mr. Knaak introduced—

S.F. No. 1438: A bill for an act relating to taxation; changing the local effort factor for certain formulas; amending Minnesota Statutes 1988, sections 273.1398, subdivisions 1 and 3; and 477A.011, subdivision 15, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Lessard, Merriam and Stumpf introduced—

S.F. No. 1439: A bill for an act relating to natural resources; reallocating costs assessed against the game and fish fund; appropriating money; amending Minnesota Statutes 1988, sections 97A.055, by adding a subdivision; 97A.061, subdivision 1; and 97A.165; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Mr. Luther introduced—

S.F. No. 1440: A bill for an act relating to elections and ethics; changing provisions relating to candidate reporting requirements and disbursements; providing for the payment of election campaign bills; prohibiting certain

types of campaign contributions; authorizing the termination of political committees and funds under certain conditions; authorizing the transfer of committee funds and debts; increasing the maximum amount of contributions to legislative candidates; clarifying when public money must be returned; making technical corrections to chapter 10A; amending Minnesota Statutes 1988, sections 10A.01, subdivision 10c; 10A.18; 10A.19, by adding subdivisions; 10A.20, subdivisions 3 and 5; 10A.22, subdivision 7, and by adding a subdivision; 10A.24; 10A.241; 10A.25, subdivisions 2, 3, and 5; 10A.27, subdivision 1; 10A.32, subdivision 3; 211A.07; and 211B.15, subdivision 2.

Referred to the Committee on Elections and Ethics.

Mr. Schmitz and Ms. Olson introduced—

S.F. No. 1441: A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Mr. Pogemiller introduced—

S.F. No. 1442: A bill for an act relating to environment; providing methods to remove hazardous substances to facilitate economic development; authorizing loans; appropriating money; amending Minnesota Statutes 1988, sections 469.174, subdivisions 7 and 16; and 469.176, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C.; Messrs. Marty, Pogemiller, DeCramer and Dicklich introduced—

S.F. No. 1443: A bill for an act relating to education; gradually increasing the direct appropriation for instructional services each year; appropriating money; amending Minnesota Statutes 1988, section 135A.03, subdivision 1.

Referred to the Committee on Education.

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

S.F. No. 1444: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding.

Referred to the Committee on Finance.

Without objection, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

## 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 under Rule 35, together with the committee report thereon,

S.F. No. 711: A bill for an act relating to Ramsey county; authorizing the use of certain property for public purposes.

Reports the same back with the recommendation that the report from the Committee on Local and Urban Government, shown in the Journal for March 22, 1989, be amended to read:

“the bill be amended 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 under Rule 35, together with the committee report thereon,

S.F. No. 14: A bill for an act relating to crimes; lowering maximum allowable alcohol concentration to 0.05 for crimes involving driving while intoxicated; amending Minnesota Statutes 1988, sections 84.911, subdivision 1; 169.121, subdivisions 1 and 2; 169.123, subdivisions 2, 4, 5a, and 6; 169.129; 192A.555; 361.12, subdivision 4; 361.121, subdivision 1; and 609.21, subdivisions 1, 2, 3, and 4.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for March 22, 1989, 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. 1018: A bill for an act relating to traffic regulations; dedicating seat belt violation fines to emergency medical services relief account; amending Minnesota Statutes 1988, section 169.686, subdivision 3.

Reports the same back with the recommendation that the report from the Committee on Transportation, shown in the Journal for April 3, 1989, be amended to read:

“the bill do pass and be re-referred to the Committee on Finance”. 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. 505: A bill for an act relating to workers' compensation; establishing a legal assistance fund; appropriating money; amending Minnesota Statutes 1988, section 176.261.

Reports the same back with the recommendation that the report from the Committee on Employment, shown in the Journal for March 13, 1989, 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. 476: A bill for an act relating to game and fish; prohibiting harassment of hunters and anglers; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for March 16, 1989, be amended to read:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Judiciary”. 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. 243: A bill for an act relating to insurance; regulating access to certain insurance and medical data; amending Minnesota Statutes 1988, section 176.138.

Reports the same back with the recommendation that the report from the Committee on Employment, shown in the Journal for February 23, 1989, be amended to read:

“the bill do pass and be re-referred to the Committee on Judiciary”. 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. 605, 641, 1025 and 1339 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 605 to the Committee on Health and Human Services.

S.F. No. 641 to the Committee on General Legislation and Public Gaming.

S.F. No. 1025 to the Committee on Governmental Operations.

S.F. No. 1339 to the Committee on Transportation.

Report adopted.

## SECOND READING OF SENATE BILLS

S.F. No. 14 was read the second time.

## ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 2:00 p.m., Monday, April 10, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-NINTH DAY

St. Paul, Minnesota, Monday, April 10, 1989

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. Bruce Krogstad.

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

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

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. Waldorf was excused from the Session of today. Mr. Hughes was excused from the Session of today at 2:30 p.m. Mr. DeCramer was excused from the Session of today at 2:45 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 3, 1989

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:

H. Ted Grindal, 9517 Bennett Pl., Eden Prairie, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1990.

Audrey Eickhof, R.R. 2, Box 17, Crookston, Polk County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Owen Husney, 450 Lakeview Ave., Tonka Bay, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Mary Ingebrand-Pohlad, 4101 W. 48th St., Edina, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

William Richards, Box 167A, Walnut Grove, Murray County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

Sincerely,  
Rudy Perpich, Governor

April 6, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received and deposited in the Office of the Secretary of State, S.F. No. 686.

Sincerely,  
Rudy Perpich, Governor

April 7, 1989

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. 286.

Sincerely,  
Rudy Perpich, Governor

April 7, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
	410	22	0832 hours April 6	April 6
	897	24	0835 hours April 6	April 6
	210	26	0840 hours April 6	April 6
686		Res. No. 2		April 6

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. 966.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 6, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 966: A bill for an act relating to transportation; providing for the recording of transportation corridors other than streets or highways; removing legislative route 249 from the trunk highway system; amending Minnesota Statutes 1988, section 505.1792, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 878, 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. 1373. The motion prevailed.

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

S.F. No. 937: A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board of Hennepin county for a public safety building.

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

S.F. No. 1221: A bill for an act relating to the city of Hopkins; authorizing the establishment of special service districts.

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

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

S.F. No. 933: A bill for an act relating to local government; providing for the board membership of the Moose Lake and Windemere sanitary sewer district; amending Laws 1974, chapter 400, section 4, subdivision 2, 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 re-referred

S.F. No. 477: A bill for an act relating to regional railroad authorities; permitting authorities to enter certain agreements; amending Minnesota Statutes 1988, section 398A.04, subdivision 9.

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. 1191: A bill for an act relating to political subdivisions; permitting participation in risk retention groups; amending Minnesota Statutes 1988, section 471.981, by adding a subdivision.

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

Page 1, line 9, delete "*If a political*"

Page 1, delete lines 10 to 12

Page 1, line 13, delete "*reasonable cost, the*" and insert "A"

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. 834: A bill for an act relating to consumer protection; requiring new motor vehicle damage disclosures; amending Minnesota Statutes 1988, sections 168A.04, subdivisions 1 and 4; and 168A.05, subdivisions 3 and 5; proposing coding for new law in Minnesota Statutes, chapter 325F

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 1988, section 168A.04, subdivision 1, is amended to read:

Subdivision 1. The application for the first certificate of title of a vehicle in this state shall be made by the owner to the department on the form prescribed by the department and shall contain:

(1) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(2) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, and whether new or used;

(3) the date of purchase by applicant, the name and address of the person from whom the vehicle was acquired, the names and addresses of any secured parties in the order of their priority, and the dates of their respective security agreements;

(4) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage; ~~and~~

*(5) with respect to vehicles subject to sections 6 and 7, whether the vehicle was submerged or flooded above the floor level or sustained damage by collision or other occurrence which exceeded 70 percent of the actual cash value; and*

(6) any further information the department reasonably requires to identify the vehicle and to enable it to determine whether the owner is entitled to a certificate of title, and the existence or nonexistence and priority of any security interest in the vehicle.

Sec. 2. Minnesota Statutes 1988, section 168A.04, subdivision 4, is amended to read:

Subd. 4. If the application refers to a vehicle last previously registered in another state or country, the application shall contain or be accompanied by:

(1) any certificate of title issued by the other state or country;

(2) any other information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of any security interest in it;

(3) the certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires; *and*

*(4) with respect to vehicles subject to sections 6 and 7, whether the vehicle was submerged or flooded above the floor level or sustained damage by collision or other occurrence which exceeded 70 percent of actual cash value.*

Sec. 3. Minnesota Statutes 1988, section 168A.05, subdivision 3, is amended to read:

Subd. 3. [CONTENT OF CERTIFICATE.] Each certificate of title issued by the department shall contain:

(1) the date issued;

(2) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(3) the names and addresses of any secured parties in the order of priority as shown on the application, or if the application is based on a certificate of title, as shown on the certificate, or as otherwise determined by the department;

(4) the title number assigned to the vehicle;

(5) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

(6) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage; ~~and~~

(7) *with respect to vehicles subject to sections 6 and 7, the appropriate term "flood damaged," "rebuilt," or "reconstructed"; and*

(8) any other data the department prescribes.

Sec. 4. Minnesota Statutes 1988, section 168A.05, subdivision 5, is amended to read:

Subd. 5. [ASSIGNMENT AND WARRANTY OF TITLE FORMS.] The certificate of title shall contain forms for assignment and warranty of title by the owner, and for assignment and warranty of title by a dealer, and may contain forms for applications for a certificate of title by a transferee, the naming of a secured party, and the assignment or release of security interests, *and shall include language necessary to implement sections 6 and 7.*

Sec. 5. [325E664] [NEW MOTOR VEHICLE DAMAGE DISCLOSURES.]

*Subdivision 1. [DEFINITION.] For the purposes of this section, the term "new motor vehicle" means a motor vehicle as defined in section 80E.03, subdivision 7, including vehicles driven for demonstration purposes.*

*Subd. 2. [DISCLOSURE OF DAMAGE EXCEEDING FOUR PERCENT OF RETAIL PRICE.] (a) Before the sale of a new motor vehicle, a dealer must disclose and describe to the buyer, in a clear and conspicuous written statement and orally in the course of the sales presentation, any damage to the vehicle of which the dealer had actual knowledge, if the dealer's cost of repairs exceeded four percent of the manufacturer's suggested retail price, or \$500, whichever is greater.*

*(b) A manufacturer, distributor, or importer must disclose and describe to its franchised dealers, in a clear and conspicuous written statement, any repaired damage exceeding four percent of the manufacturer's suggested retail price, or \$500, whichever is greater.*

*(c) Damaged or stolen glass, tires, wheels, bumpers, radios, and in-dash*



*audio components are excluded from the disclosure requirements of this subdivision if the damaged or stolen parts are replaced with identical manufacturer's original equipment.*

**Sec. 6. [325F6641] [DISCLOSURE OF MOTOR VEHICLE DAMAGE.]**

*Subdivision 1. [DAMAGE.] (a) If a motor vehicle has been submerged or flooded above floor level while parked on a licensed motor vehicle dealer's lot or if the vehicle has sustained damage by collision or other occurrence which exceeds 70 percent of its actual cash value so that the vehicle becomes a class C total loss vehicle, the seller must disclose that fact to the buyer, if the seller has actual knowledge of the flood damage.*

*(b) The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar shall revise the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to accommodate this disclosure. If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.*

*Subd. 2. [FORM OF DISCLOSURE.] The disclosure required in this section must be made in substantially the following form: "To the best of my knowledge, this vehicle has . . . . has not . . . . been submerged or flooded above floor level, has . . . . has not . . . . sustained damage in excess of 70 percent actual cash value."*

**Sec. 7. [325F6642] [TITLE BRANDING.]**

*Subdivision 1. [FLOOD DAMAGE.] If the application for title and registration indicates that the vehicle has been classified as a class B or C total loss vehicle because of water or flood damage or has been submerged or flooded above floor level while parked on a licensed motor vehicle dealer's lot, the registrar of motor vehicles shall record the term "flood damaged" on the certificate of title and all subsequent certificates of title issued for that vehicle.*

*Subd. 2. [CLASS C VEHICLES.] Upon transfer and application for title to all class C total loss vehicles, the registrar of motor vehicles shall record the term "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.*

*Subd. 3. [OUT-OF-STATE VEHICLES.] (a) Upon transfer and application for title of all repaired vehicles with out-of-state titles that bear the term "damaged," "salvage," "rebuilt," "reconditioned," or any similar term, the registrar of motor vehicles shall record the term "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.*

*(b) The registrar shall mark "rebuilt" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle which came into the state unrepaired and for which a salvage certificate of title was issued unless the person applying for the Minnesota title offers proof satisfactory to the registrar that the vehicle did not sustain damage equivalent to the 70 percent standard set forth in this section. The proof shall include photographs of the vehicle and either an insurance adjuster's written report*

or a written repair estimate which details the parts and labor required to repair the vehicle.

(c) For vehicles with out-of-state titles which bear the term "flood damaged," the registrar of motor vehicles shall record the term "flood damaged" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.

**Subd. 4. [RECONSTRUCTED VEHICLES.]** For vehicles that are reconstructed within the meaning of section 168A.15, the registrar shall record the term "reconstructed" on the certificate of title and all subsequent certificates of title.

**Subd. 5. [MANNER OF BRANDING.]** The designation of "flood damaged," "rebuilt," or "reconstructed" on a certificate of title shall be made by the registrar of motor vehicles in a clear and conspicuous manner, in a color different from all other writing on the certificate of title.

**Subd. 6. [CLASS C TOTAL LOSS VEHICLE; DEFINITION.]** For the purposes of this section, a class C total loss vehicle means a vehicle for which a salvage certificate of title has been issued and vehicles with damage of at least 70 percent of the vehicle's actual cash value immediately prior to sustaining the damage, as determined by an insurer or dealer pursuant to section 168A.151 or by comparing an insurer's written estimate of damage or actual loss payout to the average trade-in value of the vehicle according to the National Automobile Dealers Association's Official Used Car Guide or other similar publication approved by the registrar.

**Subd. 7. [DEALER DISCLOSURE.]** If a licensed motor vehicle dealer offers for sale a vehicle with a branded title, the dealer shall orally disclose the existence of the brand in the course of the sales presentation.

#### **Sec. 8. [325F6643] [REMEDIES; PENALTIES.]**

(a) A person who violates sections 5 to 7 is subject to the remedies and penalties, including a private right of action, provided in section 8.31.

(b) A person injured by a violation of sections 5 to 7 shall recover the actual damages sustained, together with costs and disbursements, including reasonable attorney fees. In its discretion, the court may increase the award of damages to an amount not to exceed three times the actual damages sustained, or \$2,500, whichever is greater.

(c) The relief provided in this section is in addition to any remedies otherwise available under the common law or other statutes of this state.

#### **Sec. 9. [325F6644] [APPLICATION.]**

Sections 6 and 7 do not apply to vehicles that are six years old or older as calculated from the first day of January of the designated model year or to commercial motor vehicles with a gross vehicle rating of 26,000 pounds or more.

#### **Sec. 10. [EFFECTIVE DATE AND TRANSITION.]**

Section 5 is effective October 1, 1989. Sections 1 to 4 and 6 to 9 are effective July 1, 1990. All certificates of title issued after that date must include the disclosure language in the assignment by seller (transferor), reassignment by licensed dealer sections, and other transfer documents, and the appropriate designation "flood damaged," "rebuilt," or "reconstructed" as required by section 7. No title application or title transfer shall be rejected

*by the registrar for failure to include the disclosures required by sections 1 to 7 if the application for title, the assignment by seller (transferor), reassignment by licensed dealer, or other transfer documents have not been revised to include the appropriate form for disclosure pursuant to section 6, subdivision 2."*

Amend the title as follows:

Page 1, line 2, delete "new"

Page 1, line 3, after "disclosures" insert "and branding certificates of title"

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. 188: A bill for an act relating to commerce; requiring mortgage lenders and mortgage brokers to obtain a license from the commissioner of commerce; requiring certain disclosures by mortgage lenders and mortgage brokers; prohibiting certain practices by mortgage lenders and mortgage brokers; appropriating money; amending Minnesota Statutes 1988, sections 82.17, subdivision 4; and 82.18; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1988, section 82.175.

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

Delete everything after the enacting clause and insert:

"Section 1. [57.01] [SHORT TITLE.]

*This chapter may be cited as the "home buyers' bill of rights."*

Sec. 2. [57.02] [SCOPE.]

*Subdivision 1. [RESIDENTIAL MORTGAGE LOANS.] Except as provided in subdivision 2, this chapter shall apply to any entity that engages in the business of making, brokering, or servicing mortgage loans.*

*Subd. 2. [EXEMPTION.] This chapter shall not apply to:*

*(1) entities making or negotiating five or fewer mortgage loans in a period of 12 consecutive months;*

*(2) charitable or nonprofit corporations making mortgage loans to promote home ownership or improvements for the disadvantaged;*

*(3) agencies of the federal government, or a state government, or a quasi-governmental agency making mortgage loans under the specific authority of the laws of a state or the United States;*

*(4) entities 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;*

*(5) 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;*

(6) 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 including a referral fee for the service; and

(7) entities acting in a fiduciary capacity conferred by authority of a court.

Sec. 3. [57.03] [DEFINITIONS.]

*Subdivision 1. [TERMS.] For purposes of this chapter, the terms in this section have the meanings given them unless the context requires a different meaning.*

*Subd. 2. [ADVERTISEMENT.] "Advertisement" means any oral, written, graphic, or pictorial statement made in the course of solicitation of business. Advertisement includes, without limitation, any statement or representation made in a newspaper, magazine, or other publication, or contained in any notice, sign, billboard, poster, display, circular, pamphlet, or letter, or on radio or television.*

*Subd. 3. [AGRICULTURAL PROPERTY.] "Agricultural property" has the meaning given the term in section 583.22.*

*Subd. 4. [BORROWER.] "Borrower" means a natural person who has submitted an application for a loan to a mortgage lender or has obtained a mortgage loan.*

*Subd. 5. [BUSINESS.] "Business" means a commercial or industrial enterprise that is carried on for the purpose of active or passive investment or profit.*

*Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.*

*Subd. 7. [ENTITY.] "Entity" means an individual acting as a sole proprietorship, corporation, partnership, association, trust, or any other commercial organization or group of individuals, however organized.*

*Subd. 8. [EQUAL CREDIT OPPORTUNITY ACT.] "Equal Credit Opportunity Act" means United States Code, title 15, sections 1691 to 1691f, and any regulations adopted under those sections.*

*Subd. 9. [ESCROW ACCOUNT.] "Escrow account" means an escrow, agency, or similar account for the payment of taxes or insurance premiums with respect to a mortgaged one- to four-family, owner-occupied residence located in this state.*

*Subd. 10. [MORTGAGE BROKER.] "Mortgage broker" means an entity other than a mortgage lender who for a fee directly or indirectly offers to find or finds mortgage loans for another.*

*Subd. 11. [MORTGAGE LENDER.] "Mortgage lender" means an entity making or servicing a mortgage loan.*

*Subd. 12. [MORTGAGE LOAN OR LOAN.] "Mortgage loan" or "loan" means a loan or advance of credit to an individual secured by a mortgage or other encumbrance upon real property of less than ten acres located in the state and containing one to four residential units or upon which at the time the loan is made it is intended that one to four residential units are to be constructed. The term does not include:*

(1) a loan or advance of credit that is made primarily for a business or commercial purpose;

(2) a loan for which less than 50 percent of the proceeds are intended to be used to acquire legal title to the property or used to refinance the balance due on a contract for deed; or

(3) a loan or extension of credit made by the seller of real property for the purchase of that property or the refinancing of a contract for deed on that property.

Subd. 13. [MORTGAGE LOAN SERVICER.] "Mortgage loan servicer" means any entity that is servicing a mortgage loan.

Subd. 14. [REAL ESTATE SETTLEMENT PROCEDURES ACT.] "Real Estate Settlement Procedures Act" means United States Code, title 12, sections 2601 to 2617, and any regulations adopted under those sections.

Subd. 15. [REFERRAL FEE.] "Referral fee" means the types of payments under the Real Estate Settlement Procedures Act.

Subd. 16. [SERVICING.] "Servicing" means the collection for any mortgage lender, noteowner, noteholder, or for the mortgage lender's own account, of payments, interest, principal, and escrow items such as hazard insurance and taxes on a residential mortgage loan in accordance with the terms of such residential mortgage loan. Servicing includes loan payment follow-up, delinquency loan follow-up, loan analysis, any notifications to the borrower which are necessary to enable the borrower to keep the loan current and in good standing, and the administration of escrow accounts for payment of such items as hazard insurance premiums and taxes on a residential mortgage loan.

Subd. 17. [SETTLEMENT SERVICES.] "Settlement services" includes any service provided in connection with a real estate settlement including, but not limited to, title searches, title examinations, the provision of title certificates, title insurance, services rendered by an attorney, the preparation of documents, property surveys, the rendering of credit reports or appraisals, pest and fungus inspections, services rendered by a real estate agent or broker, and the handling of the processing, and closing or settlement.

Subd. 18. [TRUTH-IN-LENDING ACT.] "Truth-in-Lending Act" means United States Code, title 15, sections 1601 to 1666j, and any regulations adopted under those sections.

#### Sec. 4. [57.04] [LICENSE REQUIREMENT; APPLICATION.]

Subdivision 1. [GENERALLY.] A person may not engage in business as a mortgage lender or mortgage broker unless that person or entity by whom the person is employed has first obtained a license under this chapter or is exempt from the licensing requirements of this chapter.

Subd. 2. [EXEMPTIONS.] The following entities are exempt from the licensing requirements of this section:

(1) banks, savings banks, savings associations, and credit unions organized under the laws of this state, and banks, savings banks, savings associations, and credit unions organized under the laws of the United States that have offices in this state from which deposits are accepted under the laws of this state or the United States, and their employees, provided, however, that subsidiaries and service corporations of these institutions are not exempt from the requirements of this chapter;

(2) regulated lenders licensed under chapter 56, and industrial loan and thrift companies licensed under chapter 53;

(3) insurance companies licensed to do business in this state; and

(4) persons licensed by the state of Minnesota as real estate brokers or salespersons.

*Subd. 3. [MORTGAGE LENDERS.] A mortgage lender licensed under this section who brokers mortgage loans is not required to obtain a license as a mortgage broker.*

*Subd. 4. [FORM.] An application for a license under this section must be made in writing, and on a form approved by the commissioner.*

*Subd. 5. [CONTENTS.] The application for a mortgage lender or 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 Minnesota corporation, the name and address of its officers and directors;

(4) if the applicant is a foreign corporation, a copy of its certificate of authority to transact business in this state and the name and address of its registered agent and each officer and director;

(5) the addresses of all offices in this state where business will be conducted by the applicant; and

(6) 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. 6. [FINANCIAL RESPONSIBILITY FOR MORTGAGE LENDERS.] (a) An applicant for a mortgage lender license shall:*

(1) demonstrate evidence of approval or certification by the United States Secretary of Housing and Urban Development, including 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; or

(3) provide evidence of, and continuously maintain, a line of credit for the funding of mortgage loans.

(b) If the applicant for a mortgage lender license provides a bond, it must be in the amount of \$100,000, issued by an insurer authorized to transact business in this state and is covered by the Minnesota insurance guaranty association, 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 lender license provides a line of credit, it must be for at least \$250,000 with a lending institution whose

deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation, or a person who is otherwise acceptable to the commissioner.

The requirement of a line of credit may be waived by the commissioner if all loans originated by the applicant are either closed in the name of a licensed lender or other financial institution or entity approved by the commissioner under an agreement between the mortgage lender or other financial institution and the applicant, or assigned, under an agreement, to a licensed mortgage lender or other financial institution or entity approved by the commissioner, simultaneously with the closing.

The applicant shall provide the commissioner with a copy of the agreement, which must state the circumstances under which the mortgage lender or financial institution will be obligated to fund closings or purchase loans from the applicant. The licensee shall notify the commissioner of any modifications to the agreement.

(d) If there is any material change in any of the financial conditions upon which a license was granted under this section, the mortgage lender must notify the commissioner of that change within five business days of the change.

*Subd. 7. [EXPERIENCE.] Any entity applying for a mortgage lender's license shall have at least one partner or employee, in a position to supervise the work of the entity, who shall have at least 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.*

*Subd. 8. [FEES.] An application must be accompanied by the payment of \$150.*

*All fees must be retained by the commissioner and are nonreturnable, except that an overpayment of a fee must be refunded upon proper application.*

*Subd. 9. [DENIAL OF LICENSE.] The commissioner may deny a license under this section if the applicant:*

*(1) fails to meet the criteria described under subdivisions 6 and 7;*

*(2) had an entry of a federal or state administrative order against the mortgage lender or mortgage broker for violation of any law or regulation applicable to the conduct of the licensed business; or*

*(3) had an entry of a judgment against the mortgage lender or mortgage broker involving fraud, misrepresentation, or deceit.*

*Subd. 10. [ANNUAL REPORT.] 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. 5. [57.05] [RETENTION OF BOOKS, ACCOUNTS, AND RECORDS.]**

*Subdivision 1. [RECORDS MAINTAINED.] Each mortgage lender and mortgage broker shall maintain in the licensee's offices any books, accounts, and records the commissioner reasonably requires in order to determine whether the licensee is in compliance with this chapter and the rules adopted under it. The books, accounts, and records must be maintained*

*separately from any other business of the mortgage lender or mortgage broker.*

*Subd. 2. [RECORDS RETAINED.] A mortgage lender shall retain for at least two years after settlement of 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. A mortgage broker must 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.*

*Subd. 3. [OUT-OF-STATE LICENSEE.] A mortgage lender or mortgage broker may maintain the records required under this section in offices outside of this state if the licensee agrees to pay in advance for the cost of examination of those records by the commissioner.*

**Sec. 6. [57.06] [PROHIBITED PRACTICES; GENERAL.]**

*A mortgage lender or mortgage broker may not violate any provision of the Equal Credit Opportunity Act, Real Estate Settlement Procedures Act, or the Truth-in-Lending Act in the making or brokering of mortgage loans.*

**Sec. 7. [57.07] [ADVERTISING PRACTICES.]**

*Subdivision 1. [PROHIBITION.] Advertisements by mortgage lenders or mortgage brokers may not:*

*(1) state or imply that the advertised loan interest rates, points, terms, charges, or the contracts or services of the mortgage lender or mortgage broker are approved, recommended, or established by the state; or*

*(2) contain any statement that is false, misleading, or deceptive.*

*Subd. 2. [MORTGAGE BROKERS.] Advertisements by a mortgage broker must disclose that the mortgage broker does not make loans and that loan funds, if available, are provided by other entities to qualified borrowers.*

**Sec. 8. [57.08] [LOAN APPLICATION PRACTICES.]**

*Subdivision 1. [BORROWER INFORMATION DOCUMENT.] At the time of the loan application but before the borrower signs the application or pays any consideration to a mortgage lender, the mortgage lender must provide the borrower with a "borrower information document" which must contain, in plain language, the following:*

*(1) the statement: "This document is being provided to you as required under Minnesota law. Its purpose is to tell you about the documents you should be receiving in connection with your mortgage loan application.";*

*(2) an itemized list of all fees the borrower will be required to pay at the time of application, and a statement of those fees which will or will not be refunded if the application is withdrawn or denied;*

*(3) a copy of the loan application form;*

*(4) a description of the types of documents the borrower is usually requested to provide in order for the mortgage lender to provide the loan;*

*(5) a general description of the underwriting and other eligibility standards customarily used in determining whether a loan will be provided;*



(6) a statement that the borrower may request the mortgage lender to provide the borrower:

(i) a copy of a sample blank mortgage note and mortgage contract that will be executed if the loan is approved;

(ii) a copy of a sample commitment letter, if offered by the mortgage lender; and

(iii) a sample interest rate or discount point agreement, if offered by the mortgage lender; and

(7) a statement that the mortgage lender may not require the borrower to contract with any specific person for any settlement services; provided the person providing settlement services is acceptable to the lender.

**Subd. 2. [COPIES; SIGNED DOCUMENTS.]** A copy of each document signed by the borrower must be provided to the borrower at the time of signing of the document, except for releases for credit information and verifications of employment, bank accounts, and current mortgage history.

**Subd. 3. [CLOSING COSTS.]** The mortgage lender must inform the borrower in a separate written document that the borrower may inspect the completed uniform settlement statement containing the information required under section 9, subdivision 4, one day prior to the settlement of the loan, excluding Saturdays, Sundays, and legal holidays.

**Subd. 4. [CHANGING TERMS; PROHIBITED.]** A mortgage lender may not obtain any agreement or instrument in which blanks are left to be filled in after execution by the parties, except for verifications of employment, bank accounts, and other credit verifications, or fill in or change the loan amount, interest rate, number of discount points, or other terms contained in an interest rate or discount point agreement after the interest rate or discount point agreement is executed by the parties.

**Subd. 5. [SECURITY INTEREST; PERSONAL PROPERTY.]** A mortgage lender may not accept in connection with a mortgage loan a security interest in the borrower's personal property as described in United States Code, title 16, section 444.2(4).

**Subd. 6. [REFERRAL FEES.]** (a) A mortgage lender may not pay or accept a referral fee in connection with making or processing a mortgage loan to the extent prohibited under the Real Estate Settlement Procedures Act.

(b) Any payments permitted under the Real Estate Settlement Procedures Act for services performed may not be paid to or accepted by a real estate broker or real estate salesperson unless written disclosure is made to and acknowledged by the borrower before the services are to be performed.

**Subd. 7. [SETTLEMENT SERVICES.]** A mortgage lender may not require a borrower to contract with any specific person for real estate settlement services other than credit reports, provided that the person providing settlement services is acceptable to the lender.

**Subd. 8. [INSURANCE.]** (a) A mortgage lender may not require a borrower to purchase any insurance from any designated company, agent, or agency. This does not prohibit a lender from requiring that insurance coverage be provided by companies with a certificate of authority to do business in the state of Minnesota or that meet financial criteria under section 72A.31, subdivision 1.

*(b) A mortgage lender may not require a borrower to obtain a policy of insurance covering the property in an amount exceeding the amount of the mortgage.*

*Subd. 9. [COPIES OF REPORTS.] A mortgage lender must make available to the borrower or send or transmit to another person as directed by the borrower within two business days of a request, a copy of an appraisal report for which the borrower has paid, or other documents necessary to process the loan that the mortgage lender possesses excluding verifications of employment and other financial information. If a credit report is requested by the borrower, the lender must disclose the name, address, and telephone number of the entity who prepared the credit report and that the borrower has the right to receive a copy from that entity. If a lender does not possess a document or report that has been requested, the lender must inform the borrower where the document may be obtained.*

**Sec. 9. [57.09] [CLOSING PRACTICES.]**

*Subdivision 1. [ACCEPTANCE OF FEES NOT DISCLOSED; PROHIBITED.] A mortgage lender may not charge a fee, and a borrower may not be required to pay any fee, at settlement for an item that was not previously disclosed in writing to the borrower at least one day prior to the settlement, excluding Saturdays, Sundays, and legal holidays.*

*Subd. 2. [DISBURSAL OF FUNDS.] A mortgage lender must promptly upon closing disburse, or hold in an escrow account, all funds in accordance with the agreement, taking into account any applicable right of rescission.*

*Subd. 3. [CONFESSION OF JUDGMENT.] A mortgage lender may not take a confession of judgment or a power of attorney to confess judgment or appear for the borrower in any judicial proceeding.*

*Subd. 4. [SETTLEMENT STATEMENT.] A mortgage lender must make available to the borrower at least one day prior to settlement, excluding Saturdays, Sundays, and legal holidays, the uniform settlement statement containing the information required under the Real Estate Settlement Procedures Act.*

**Sec. 10. [57.10] [REFUNDS.]**

*Subdivision 1. [THIRD-PARTY SERVICES.] If a mortgage loan fails to close, the mortgage lender shall refund to the borrower the unused or unearned portion of any fees paid by the borrower to the mortgage lender for third-party services including, but not limited to, credit reports and appraisal fees.*

*Subd. 2. [LOCK-IN FEES.] If a borrower fails to qualify for the mortgage loan, the mortgage lender must refund any fee, including any discount points, paid by the borrower to the mortgage lender for entering into an interest rate or discount point agreement as defined under section 47.206. This subdivision does not apply to fees negotiated between the borrower and the lender for a period of price protection in excess of 90 days.*

**Sec. 11. [57.11] [LOAN SERVICING PRACTICES.]**

*Subdivision 1. [PROMPT CREDITING OF PAYMENTS.] In servicing a mortgage loan, a mortgage lender or mortgage loan servicer shall process and properly credit any regular scheduled payment from the borrower to the borrower's mortgage loan account no later than one business*

*day following receipt by the lender or servicer of such payment.*

*Subd. 2. [LATE PAYMENTS.] A mortgage lender or loan servicer shall not impose or collect any fee for late payments of principal, interest, or other sums due under a note, unless the late fee is authorized by the note and payment is not actually received by the lender by the due date stated in the mortgage instrument.*

*Subd. 3. [COMMUNICATIONS WITH BORROWER.] In servicing a mortgage loan, a mortgage lender or mortgage loan servicer shall make a good faith effort to respond within ten business days to oral or written communications from a borrower about the borrower's loan that reasonably indicate to the mortgage lender or loan servicer that a response is requested or needed.*

*Subd. 4. [TOLL-FREE NUMBER.] In servicing a mortgage loan, a mortgage lender or mortgage loan servicer shall establish a toll-free telephone number or provide an alternative toll-free telephone arrangement for receiving telephone calls from a Minnesota resident borrower calling from Minnesota to the mortgage lender or mortgage loan servicer, if the mortgage lender's or mortgage loan servicer's office is located in a different area code than the borrower's Minnesota residence.*

*Subd. 5. [PAYOFF REQUESTS.] A mortgage lender or mortgage servicer shall, within five business days of receipt of a written request from the borrower, provide a payoff amount for the principal and interest owed as of a specific date.*

**Sec. 12. [57.12] [ESCROW ANALYSIS.]**

*A mortgage lender or mortgage loan servicer administering an escrow account shall:*

*(1) perform an annual analysis of the escrow account except for the first analysis relating to loans for new construction, which may be made up to 18 months after settlement; and*

*(2) provide the borrower a statement of the annual escrow account listing the date and amount of each payment to and from the account and the balance of the account.*

**Sec. 13. [57.13] [MORTGAGE BROKERS.]**

*Subdivision 1. [WRITTEN AGREEMENT REQUIRED.] A mortgage broker may not receive compensation from a person for acting as a mortgage broker without first entering into a written contract with the person. The written contract must:*

*(1) be in plain language;*

*(2) identify the trust account into which the fees or consideration will be deposited;*

*(3) state the circumstances under which the mortgage broker will be entitled to disbursement from the trust account;*

*(4) state the circumstances under which a person will be entitled to a refund of all or part of the fee;*

*(5) specifically describe the services to be provided by the mortgage broker and the dates by which the services will be performed;*

*(6) state the maximum rate of interest to be charged on any loan obtained;*

(7) state that the state of Minnesota does not recommend or approve mortgage broker contracts, fees, or charges;

(8) disclose the length of time the entity has been engaged in business as a mortgage broker;

(9) disclose with respect to the previous calendar year the percentage of the mortgage broker's customers for whom loans have actually been funded as a result of the mortgage broker's services; and

(10) disclose the cancellation rights and procedures set forth in subdivision 6.

*Subd. 2. [TRUST ACCOUNT.] A mortgage broker must maintain a trust account in a depository financial institution located within Minnesota for deposit of fees collected and must deposit into that trust account within 48 hours of receipt all fees received prior to the time a loan is actually funded.*

*Subd. 3. [COMPENSATION PRIOR TO COMMITMENT.] A mortgage broker may not receive compensation from a person until a written commitment to make a mortgage loan is given to the person by a mortgage lender, except for documented out-of-pocket expenses paid to third parties and which are necessary to obtain a loan commitment.*

*Subd. 4. [COMPENSATION OUTSIDE AGREEMENT.] A mortgage broker may not receive compensation from a person relating to a mortgage loan, other than that specified in the written agreement signed by the person.*

*Subd. 5. [PROHIBITED PRACTICE.] A mortgage broker may not receive compensation from a person in connection with any mortgage loan transaction in which the mortgage broker is the mortgage lender, or a principal stockholder, partner, trustee, director, or officer of the mortgage lender.*

*Subd. 6. [CANCELLATION OF MORTGAGE BROKER CONTRACTS.] A customer of a 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 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 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.*

**Sec. 14. [57.14] [WAIVER PROHIBITED.]**

*Any waiver, modification, or attempt to waive or modify any of the borrower's rights secured by this chapter is void as contrary to public policy.*

**Sec. 15. [57.15] [MISREPRESENTATION.]**

*A mortgage lender or mortgage broker may not:*

*(1) engage in any act or practice constituting consumer fraud, false promise, misrepresentation, misleading statement, or deceptive practice, as prohibited under sections 325D.44 and 325F.69, subdivision 1; or*

(2) fail to state a material fact if the failure has the effect of misrepresenting the terms or conditions of a mortgage loan.

Sec. 16. [57.16] [ENFORCEMENT.]

*For the purposes of the commissioner's authority to enforce this chapter, an act of an officer, employee, director, partner, or principal stockholder, if performed in connection with the operation of the lender's or broker's business, are considered acts of the mortgage lender or mortgage broker.*

Sec. 17. [57.17] [PRIVATE REMEDY.]

*A cause of action for violation of sections 2 to 18 may not arise unless the person has made a written demand to the mortgage lender or mortgage broker for damages and the lender or broker has not responded to the demand within ten days after the demand or has denied paying the full amount of damages demanded, and the person can show that actual damages have been sustained as a direct result of the violation. If actual damages have been sustained, the mortgage lender or mortgage broker is liable to that person for actual damages, plus reasonable attorney fees. A mortgage lender or mortgage broker may not be found liable under this section for any disclosure made in a form approved by the commissioner under section 19, or for any violation which the lender shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error under United States Code, title 15, section 1640.*

Sec. 18. [57.18] [RULES.]

*The commissioner may adopt rules to administer this chapter.*

Sec. 19. [57.19] [APPROVAL OF FORMS.]

*A mortgage lender or mortgage broker may request the commissioner approve any disclosure governed by this chapter. Any request for approval of a disclosure must be accompanied by a fee of \$100, or a fee of \$50 for an amendment to a disclosure that had been previously approved. The commissioner must approve or disapprove the disclosure within 60 days after receipt.*

Sec. 20. Minnesota Statutes 1988, section 82.17, subdivision 4, is amended to read:

Subd. 4. "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase or rental of an interest or estate in real estate, or advertises or holds out as engaged in these activities;

~~(b) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate;~~

(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. 21. Minnesota Statutes 1988, 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 lender or mortgage broker licensed under sections 1 to 19 while engaged in the activities for which the license is required.

Sec. 22. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the commissioner of commerce to administer sections 1 to 19. The approved complement of the department of commerce is increased by . . . . . positions.*

Sec. 23. [REPEALER.]

*Minnesota Statutes 1988, section 82.175, is repealed.*

Sec. 24. [EFFECTIVE DATE.]

*Sections 1 to 21 and 23 are effective January 1, 1990. Section 22 is effective July 1, 1989."*

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. 1169: A bill for an act relating to insurance; prohibiting insurance companies from terminating agents who contact the commerce department; amending Minnesota Statutes 1988, section 72A.20, by adding a subdivision.

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

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1988, section 60A.172, is amended to read:

60A.172 [INSURANCE AGENCY CONTRACTS; CANCELLATION.]

(a) An insurer may not cancel a written agreement with an agent or, ~~without the agent's written approval at the time of a reduction or restriction,~~ reduce or restrict an agent's underwriting authority with respect to property or casualty insurance, based solely on the loss ratio experience on that agent's book of business, if: the insurer required the agent to submit the application for underwriting approval, all material information on the application was fully completed, and the agent has not omitted or altered any information provided by the applicant.

(b) For purposes of this section, “loss ratio experience” means the ratio of premiums paid divided by the claims paid during the previous two-year period.

(c) This section applies only to agents who write ~~insurance business exclusively~~ *80 percent or more of their gross annual insurance business* for one company and are not in the direct employ of the company *or any or all of its subsidiaries.*

Sec. 2. {60A.175} [AGENT COMMISSIONS.]

*An insurer that cancels a written agreement with an agent under section 60A.171 or 60A.172 must pay to the agent terminated all commissions earned by that agent prior to or after termination.”*

Page 1, line 11, delete “*the commissioner or any*” and insert “*any government department or agency*”

Page 1, line 12, delete “*employee of the commerce department*”

Page 1, line 15, delete “*1*” and insert “*3*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “*regulating cancellations of insurance agency contracts;*”

Page 1, line 4, delete “*section*” and insert “*sections 60A.172; and*”

Page 1, line 5, before the period, insert “*; proposing coding for new law in Minnesota Statutes, chapter 60A*”

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. 486: A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining



neglect; requiring that a child be in imminent danger for detention; permitting social services to release for detention; requiring finding of reasonable efforts at detention; and imposing requirements for disposition case plans; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141; 260.155, subdivisions 4 and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; and 260.191, subdivisions 1a and 1e.

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

Page 1, line 28, before "If" insert "(a)"

Page 2, line 11, before "'Reasonable'" insert "(b)"

Page 2, line 12, delete "services that are"

Page 2, line 13, delete ", or may reasonably be developed," and insert "services"

Page 2, line 21, before "The" insert "(c)"

Page 2, after line 31, insert:

*"(d) Nothing in this section prevents, delays, or limits out-of-home placement for treatment of a child with an emotional disturbance or mental disability when the child's diagnostic assessment or individual treatment plan indicates the placement is clinically appropriate."*

Page 3, line 4, after "custom" insert ", as provided in section 257.351, subdivision 11"

Page 3, line 13, after "cousins" insert ", as provided in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1903"

Page 3, line 23, after "child" insert ", as provided in section 257.351, subdivision 8"

Page 3, line 26, delete "'Indian'" and insert "'Indian,' consistent with section 257.351, subdivision 5,"

Page 3, line 33, delete "child'" and insert "child," consistent with section 257.351, subdivision 6,"

Page 4, line 3, before "When" insert "In a child in need of protection or services proceeding,"

Page 4, line 7, after "child" insert ", as provided in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1911"

Page 4, line 21, delete "unless"

Page 4, delete line 22

Page 4, line 23, delete "and the child's tribe,"

Page 4, line 26, delete the comma and insert "of the pending proceedings and of their right of intervention. The notice must be provided"

Page 4, line 27, delete everything after "requested" and insert "unless personal service is accomplished"

Page 4, line 28, delete "intervention"

Page 5, line 26, delete "*If a guardian ad litem is appointed*" and insert "*The following factors shall be considered when appointing a guardian ad litem*"

Page 5, line 27, delete ", a guardian ad litem shall be" and insert a colon

Page 5, delete line 28

Page 5, lines 29 and 31, delete the paragraph coding and delete "a" and insert "*whether the*" and delete "*who*"

Page 6, line 4, delete "*caused*" and insert "*necessitates*"

Page 7, line 1, strike "*such*" and insert "*the*"

Page 7, lines 3 to 5, delete the new language

Page 7, line 7, delete "*imminently*" and after "*welfare*" insert ". *If an Indian child is a resident of a reservation or is domiciled on a reservation but temporarily located off the reservation, the taking of the child under this clause shall be consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1922*"

Page 7, line 26, before the first "*the*" insert "*or*" and after "*attorney*" delete ". *or*" and insert ". *If*"

Page 7, line 27, delete "*if*" and insert "*has determined that*"

Page 7, line 29, after "*placement*" insert ", *the agency shall request authorization for the child's release from detention*"

Page 11, line 15, after "*with*" insert "*any foster parents, and consultation with*"

Page 11, line 16, delete "*foster parent,*"

Page 11, lines 24 to 29, delete the new language

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. 927: A bill for an act relating to charitable gambling; including within the definition of "lawful purpose" certain expenditures for the erection, acquisition, maintenance and repair of real property; amending Minnesota Statutes 1988, section 349.12, subdivision 11.

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

Page 2, line 3, after "*board*" insert "*has first*" and strike "*authorizes*" and insert "*authorized*"

Page 2, line 8, delete "*extensively*"

Page 2, line 16, strike "*may*" and insert "*shall*"

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. 1019: A bill for an act relating to animals; establishing a state program for spaying and neutering certain animals; appropriating money; 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. [346.60] [ANIMAL CONTROL PROGRAM.]

*Subdivision 1. [PROGRAM.] The board of animal health shall establish and implement an animal population control program, the purpose of which is to reduce the population of unwanted and stray dogs and cats by encouraging the owners of dogs and cats to have them permanently sexually sterilized, thereby reducing potential threats to public health and safety posed by the growing population of these unwanted and stray animals, and by providing low-cost animal sterilization services to animal owners.*

*Subd. 2. [RULES.] The board shall adopt any rules under chapter 14 necessary to carry out this section.*

Sec. 2. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the board of animal health for the biennium ending June 30, 1991, for the purposes of section 1.”*

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. 1014: A bill for an act relating to insurance; regulating agent licensing; regulating Medicare supplement plans; modifying required levels of coverages; amending Minnesota Statutes 1988, sections 60A.17, subdivision 6c, and by adding a subdivision; 62A.31, subdivision 2; 62D.104; 62D.121, subdivision 3; 62D.181, subdivision 4; and 62E.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1988, sections 62A.32; 62A.33; 62A.34; and 62A.35.

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 1988, section 60A.17, subdivision 6c, is amended to read:

Subd. 6c. [REVOCATION OR SUSPENSION OF LICENSE.] (a) The commissioner may by order suspend or revoke an insurance agent’s or agency’s license issued to a natural person or impose a civil penalty appropriate to the offense, not to exceed \$5,000 upon that licensee, or both, if, after notice and hearing, the commissioner finds as to that licensee any one or more of the following conditions:

- (1) any materially untrue statement in the license application;
- (2) any cause for which issuance of the license could have been refused

had it then existed and been known to the commissioner at the time of issuance;

(3) violation of, or noncompliance with, any insurance law or violation of any rule or order of the commissioner or of a commissioner of insurance of another state or jurisdiction;

(4) obtaining or attempting to obtain any license through misrepresentation or fraud;

(5) improperly withholding, misappropriating, or converting to the licensee's own use any money belonging to a policyholder, insurer, beneficiary, or other person, received by the licensee in the course of the licensee's insurance business;

(6) misrepresentation of the terms of any actual or proposed insurance contract;

(7) conviction of a felony or of a gross misdemeanor or misdemeanor involving moral turpitude;

(8) that the licensee has been found guilty of any unfair trade practice, as defined in chapters 60A to 72A, or of fraud;

(9) that in the conduct of the agent's affairs under the license, the licensee has used fraudulent, coercive, or dishonest practices, or the licensee has been shown to be incompetent, untrustworthy, or financially irresponsible;

(10) that the agent's license has been suspended or revoked in any other state, province, district, territory, or foreign country;

(11) that the licensee has forged another's name to an application for insurance; or

(12) that the licensee has violated subdivision 6b.

(b) The commissioner may by order suspend or revoke an insurance agent's or insurance agency's license issued to a partnership or corporation or impose a civil penalty not to exceed \$5,000 upon that licensee, or both, if, after notice and hearing, the commissioner finds as to that licensee, or as to any partner, director, shareholder, officer, or employee of that licensee, any one or more of the conditions set forth in paragraph (a).

(c) A revocation of a license shall prohibit the licensee from making a new application for a license for at least ~~one year~~ *two years from the effective date of the revocation*. Further, the commissioner ~~may shall~~, as a condition of relicensure, require the applicant to ~~file a reasonable bond for the protection of the citizens of this state, which bond shall be maintained by the licensee in full force for a period of five years immediately following issuance of the license, unless the commissioner at the commissioner's discretion shall after two years permit the licensee to sooner terminate the maintenance filing of the bond~~ *obtain a performance bond issued by an insurer authorized to transact business in this state in the amount of \$20,000 or a greater amount the commissioner considers appropriate for the protection of citizens of this state. The bond shall be filed with the commissioner, with the state of Minnesota as obligee, conditioned for the prompt payment to any aggrieved person entitled to payment of any amounts received by the licensee or to protect any aggrieved person from loss resulting from fraudulent, deceptive, dishonest, or other prohibited practices arising out of any transaction when the licensee was licensed or performed acts for which a license is required under this chapter. The bond*

*shall remain operative for as long as that licensee is licensed. A discharge in bankruptcy shall not relieve a person from the penalties and disabilities provided in this section. The bond required by this subdivision must provide coverage for all matters arising during the period of licensure.*

(d) The commissioner may, in the manner prescribed by chapter 14, impose a civil penalty not to exceed \$5,000 upon a person whose license has lapsed, or been suspended, revoked, or otherwise terminated, for engaging in conduct prohibited by paragraph (a) before, during, or after the period of licensure.

Sec. 2. Minnesota Statutes 1988, section 60A.17, is amended by adding a subdivision to read:

*Subd. 21. [SUITABILITY OF INSURANCE.] In recommending the purchase of any life, endowment, long-term care, annuity, life-endowment, or Medicare supplement insurance to a customer, an agent must have reasonable grounds for believing that the recommendation is suitable for the customer, and must make reasonable inquiries to determine suitability. The suitability of a recommended purchase of insurance will be determined by reference to the totality of the particular customer's circumstances, including, but not limited to, the customer's income, the customer's need for insurance, and the values, benefits, and costs of the customer's existing insurance program, if any, when compared to the values, benefits, and costs of the recommended policy or policies.*

Sec. 3. Minnesota Statutes 1988, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract or other evidence of accident and health insurance issued or delivered in this state shall be sold or issued to an individual age 65 or older covered by Medicare unless the following requirements are met:

(a) The policy must provide a minimum of the coverage set out in subdivision 2;

(b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured; **and**

(d) *Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages; and*

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium.

Sec. 4. Minnesota Statutes 1988, section 62A.31, subdivision 2, is amended to read:

Subd. 2. [GENERAL COVERAGE.] For a policy to meet the requirements of this section it must contain (1) a designation specifying whether the policy is ~~a~~ *an extended basic Medicare supplement* ~~1+7 1 2 or 3 plan~~

or a basic Medicare supplement plan, (2) a caption stating that the commissioner has established ~~four~~ two categories of Medicare supplement insurance and minimum standards for each, with the extended basic Medicare supplement ~~1~~ being the most comprehensive and the basic Medicare supplement ~~3~~ being the least comprehensive, and (3) the policy must provide the minimum coverage prescribed in sections ~~62A.32 to 62A.35~~ 62A.315 and 62A.316 for the supplement specified, provided that an annual deductible of not more than \$200 is permissible for those covered charges not paid by Medicare or otherwise included in ~~paragraph (f) of sections 62A.32 and 62A.33~~ section 62A.315 or 62A.316.

**Sec. 5. [62A.315] [EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]**

*The extended basic Medicare supplement plan must have a level of coverage so that it will be certified as a qualified plan pursuant to chapter 62E, and will provide:*

*(1) coverage for all of the Medicare part A inpatient hospital deductible amount;*

*(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the first eight days per calendar year incurred for skilled nursing facility care;*

*(3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement up to the maximum out-of-pocket amount for Medicare part B and coverage of the Medicare deductible amount;*

*(4) 80 percent of usual and customary hospital and medical expenses, supplies, and prescription drug expenses, including home intravenous (IV) therapy drugs and immunosuppressive therapy drugs, not covered by Medicare's eligible expenses; and*

*(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations.*

**Sec. 6. [62A.316] [BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]**

*(a) The basic Medicare supplement plan must have a level of coverage that, at a minimum, will provide:*

*(1) coverage for the daily copayment amount of Medicare part A eligible expenses for the first eight days per calendar year incurred for skilled nursing facility care;*

*(2) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement up to the maximum out-of-pocket amount for Medicare part B after the Medicare deductible amount;*

*(3) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations;*

*(4) coverage for the copayment amount of Medicare eligible expenses*

*for covered home intravenous (IV) therapy drugs, as determined by the Secretary of Health and Human Services, subject to the Medicare outpatient prescription drug deductible amount, if applicable; and*

*(5) coverage for the copayment amount of Medicare eligible expenses for outpatient drugs used in immunosuppressive therapy subject to the Medicare outpatient prescription drug deductible, if applicable.*

*(b) Only the following optional benefit riders may be added to this plan:*

*(1) coverage for all of the Medicare part A inpatient hospital deductible amount; and*

*(2) a minimum of 80 percent of usual and customary medical expenses and supplies not covered by Medicare part B eligible expenses. This does not include outpatient prescription drugs.*

Sec. 7. Minnesota Statutes 1988, section 62A.41, is amended to read:

**62A.41 [PENALTIES.]**

*Subdivision 1. [GENERALLY.] Any insurer, general agent, agent, or other person who knowingly or willfully, either directly or indirectly, makes or causes to be made or induces or seeks to induce the making of any false statement or representation of a material fact with respect to compliance of any policy with the standards and requirements set forth in this section; falsely assumes or pretends to be acting, or misrepresents in any way, including a violation of section 62A.37, that the person is acting, under the authority or in association with Medicare, or any federal agency, for the purpose of selling or attempting to sell insurance, or in such pretended character demands, or obtains money, paper, documents, or anything of value; or knowingly sells a health insurance policy to an individual entitled to benefits under part A or part B of Medicare with the knowledge that such policy substantially duplicates health benefits to which such individual is otherwise entitled under a requirement of state or federal law other than under Medicare shall be guilty of a felony and subject to a civil penalty of not more than \$5,000 per violation, and the commissioner may revoke or suspend the license of any company, association, society, other insurer, or agent thereof.*

*Subd. 2. [SALES OF REPLACEMENT POLICIES.] An insurer or general agent, agent, manager's general agent, or other representative, who knowingly or willfully violates section 62A.40 is guilty of a felony and is subject to a civil penalty of not more than \$5,000 per violation.*

*Subd. 3. [SALES OF DUPLICATE POLICIES.] An agent who knowingly or willfully violates section 62A.43, subdivision 1, is guilty of a felony and is subject to a civil penalty of not more than \$5,000 per violation.*

*Subd. 4. [UNLICENSED SALES.] Notwithstanding section 60A.17, subdivision 1, paragraph (d), a person who acts or assumes to act as an insurance agent without a valid license for the purpose of selling or attempting to sell Medicare supplement insurance, and the person who aids or abets the actor, is guilty of a felony and is subject to a civil penalty of not more than \$5,000 per violation.*

Sec. 8. Minnesota Statutes 1988, section 62A.43, subdivision 4, is amended to read:

**Subd. 4. [OTHER POLICIES NOT PROHIBITED.]** The prohibition in this section against the sale of duplicate Medicare supplement coverage

does not preclude the sale of insurance coverage, such as travel, accident and sickness coverage, or *hospital indemnity policies*, the effect or purpose of which is not to supplement Medicare coverage. Notwithstanding this provision, if the commissioner determines that the coverage being sold is in fact Medicare supplement insurance, the commissioner shall notify the insurer in writing of the determination. If the insurer does not thereafter comply with sections 62A.31 to 62A.44, the commissioner may, pursuant to chapter 14, revoke or suspend the insurer's authority to sell accident and health insurance in this state or impose a civil penalty not to exceed \$10,000, or both.

Sec. 9. [62A.436] [COMMISSIONS.]

*The commission, sales allowance, service fee, or compensation to an agent for the sale of a Medicare supplement plan must be the same for each of the first four years of the policy. The commissioner may grant a waiver of this restriction on commissions when the commissioner believes that the insurer's fee structure does not encourage deceptive practices.*

*In no event may the rate of commission, sales allowance, service fee, or compensation for the sale of a basic Medicare supplement plan exceed that which applies to the sale of an extended basic Medicare supplement plan.*

*This section also applies to sales of replacement policies.*

Sec. 10. Minnesota Statutes 1988, section 62D.104, is amended to read:  
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~~ chapter 62A.

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. 11. Minnesota Statutes 1988, section 62D.121, subdivision 3, is amended to read:

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 *basic Medicare supplement* ~~two~~ plan as defined in section ~~62A.34~~ 62A.316, except that the replacement coverage shall also cover the liability for any Medicare part A and part B deductible as defined under title XVIII of the Social Security Act. After satisfaction of the Medicare part B deductible, the replacement coverage shall be based on 120 percent of the 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.

Sec. 12. Minnesota Statutes 1988, section 62D.181, subdivision 4, is amended to read:

Subd. 4. [COVERAGE.] Alternative coverage issued under this section must be at least a number two qualified plan, as described in section 62E.06, subdivision 2, or for individuals over age 65, a *basic* Medicare supplement ~~2~~ plan, as described in section ~~62A.34~~ 62A.316.

Sec. 13. Minnesota Statutes 1988, section 62E.07, is amended to read:

62E.07 [QUALIFIED MEDICARE SUPPLEMENT PLAN.]

Any plan which provides benefits to persons over the age of 65 years may be certified as a qualified Medicare supplement plan if the plan is designed to supplement Medicare and provides coverage of ~~50~~ 100 percent of the ~~deductible and copayment deductibles~~ deductibles required under Medicare and 80 percent of the charges for covered services described in section 62E.06, subdivision 1, which charges are not paid by Medicare. The coverage shall include a limitation of \$1,000 per person on total annual out-of-pocket expenses for the covered services. The coverage may be subject to a maximum lifetime benefit of not less than ~~\$100,000~~ \$500,000.

Sec. 14. Minnesota Statutes 1988, section 62E.14, subdivision 4, is amended to read:

Subd. 4. Notwithstanding the above, any Minnesota resident holder of a policy or certificate of Medicare supplement coverages pursuant to sections ~~62A.32 to 62A.35~~ 62A.315 and 62A.316, or Medicare supplement plans previously approved by the commissioner, may enroll in the comprehensive health insurance plan as described in section 62E.07, with a waiver of the preexisting condition as described in subdivision 3, without interruption in coverage, provided, the policy or certificate has been terminated by the insurer for reasons other than nonpayment of premium and, provided further, that the option to enroll in the plan is exercised within 30 days of termination of the existing contract.

Coverage in the state plan for purposes of this section shall be effective on the date of termination upon completion of the proper application and payment of the required premium. The application must include evidence of termination of the existing policy or certificate.

Sec. 15. [REPEALER.]

(a) *Minnesota Statutes 1988, sections 62A.32; 62A.33; 62A.34; and 62A.35, are repealed.*

(b) *Minnesota Rules, part 2795.0900, is repealed.*

Sec. 16. [APPLICATION; EFFECTIVE DATE.]

*Section 7 is effective the day following final enactment and applies to claims arising from incidents occurring on or after that date.*

*Sections 1, 2, 8, and 15, paragraph (b), are effective June 1, 1989. Sections 3, 4 to 6, 9 to 14, and 15, paragraph (a), are effective January 1, 1990, for policies, plans, or contracts subject to Minnesota Statutes, section 62A.31, which are issued or delivered in this state on or after that date. No policy of Medicare supplement 1+, 1, 2, or 3 may be sold or issued on or after that date. Policies, plans, and contracts in effect on or after June 1, 1989, must conform with federal Medicare benefit modifications and must provide appropriate premium adjustments to policyholders by January 1, 1990."*

Amend the title as follows:

Page 1, line 6, delete "subdivision 2" and insert "subdivisions 1 and 2; 62A.41; 62A.43, subdivision 4"

Page 1, line 7, after "4;" insert "62E.07;"

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. 1255: A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; creating fire protection systems account; providing for fees and a surcharge; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299K.

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

Page 1, line 19, delete everything after the period

Page 1, delete lines 20 and 21

Page 2, line 10, delete "when the" and insert ", or" and delete "is"

Page 2, line 11, after "purposes" insert a comma

Page 2, line 14, after the period, insert "*Persons properly licensed under section 326.40 may also sell, design, install, modify or inspect a standpipe, hose system only.*"

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1283: A bill for an act relating to local government; permitting a city or county to authorize and regulate casino nights; amending Minnesota Statutes 1988, sections 349.31, subdivision 1; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapter 349.

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

Page 1, line 20, after the period, insert "A person may not be required to pay a fee to play a game at the casino night, and the person or organization conducting the casino night must make available, at no charge to a person, the scrip or redeemable tokens to be used to play the games."

Page 2, delete section 3

Page 3, delete section 6

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "541.21;"

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. 707 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.
707	588				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 707 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 707 and insert the language after the enacting clause of S.F. No. 588, the second engrossment; further, delete the title of H.F. No. 707 and insert the title of S.F. No. 588, the second engrossment.

And when so amended H.F. No. 707 will be identical to S.F. No. 588, and further recommends that H.F. No. 707 be given its second reading and substituted for S.F. No. 588, 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. 770 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.
770	740				

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. 1056 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.
1056	901				

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 was referred

S.F. No. 882: A bill for an act relating to education; appropriating money for lease of space at the College of St. Teresa by Winona State University.

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. 783: A bill for an act relating to education; proposing a fifth year incentive plan for teachers in the Duluth school 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. [NEGOTIATED INCENTIVE PLAN; PARTICIPATION IN RETIREMENT FUND.]

*A teacher employed by independent school district No. 709, Duluth, who voluntarily participates in an incentive plan negotiated by the school board*

*and the exclusive representative of the teachers permitting 80 percent payment of salary over a five-year period, during which the teacher works four years and is on leave the fifth year, may receive service credit in the Duluth teachers retirement fund association for the entire five-year period of the incentive plan if the teacher and the employing board make employer and employee contributions for the period based on the annual salary the teacher would have received if teaching in the district during the period without the salary reduction to 80 percent."*

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. 977: A bill for an act relating to economic development; establishing the community and neighborhood development organization program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Page 4, line 15, delete "PRIORITIZING" and insert "PRIORITY OF"

Page 4, line 16, delete "*prioritize*" and insert "*establish the priority of*"

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. 938: A bill for an act relating to economic development; providing for funding of grants to nonprofit economic development organizations; 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. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 48: A bill for an act relating to economic development; authorizing counties to establish economic development authorities; amending Minnesota Statutes 1988, sections 469.090, by adding a subdivision; 469.091, subdivision 1, and by adding a subdivision; 469.092, subdivisions 1, 3, 4, and 5; 469.093, subdivision 1; 469.094, subdivisions 1, 2, and 3; 469.095; 469.097, subdivisions 3, 5, and 6; 469.099, subdivision 3; 469.100, subdivisions 2, 3, 4, 5, and 6; 469.101, subdivisions 1, 4, 15, and 16; 469.102, subdivisions 1, 2, 4, and 5; 469.103, subdivisions 1 and 6; 469.105, subdivisions 1 and 4; and 469.107.

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

Page 2, line 8, delete from "*that*" through page 2, line 11, to "*469.091,*"

Page 10, line 19, after "boundaries" insert "*of a home rule charter or*

*statutory city economic development authority*"

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

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 816: A bill for an act relating to economic development; designating a medical enterprise park opportunity zone in the city of Coon Rapids; providing tax benefits for the zone; appropriating money.

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

Page 1, lines 16 and 17, delete "*Minnesota medical enterprise park*" and insert "*zone*"

Page 1, line 18, after "*is*" insert "*a*" and after the second "*property*" insert "*that primarily produces medical products, medical research, or provides medical services.*"

Page 1, delete lines 19 to 25

Page 2, delete lines 1 to 9

Page 2, line 23, after "*zone*" insert "*designated under section 2*"

Page 2, line 34, delete "*15*" and insert "*ten*"

Page 3, line 1, delete "*shall*" and insert "*may,*"

Page 3, line 2, after "*resolution*" insert a comma

Page 3, delete line 6 and insert "*prescribed by the city council and approved by the commissioner*"

Page 3, line 7, delete "*the city council*"

Page 3, line 12, delete "*probable*" and insert "*proposed*"

Page 4, line 36, delete "*may have been allowed*" and insert "*was stated in the approving resolution; or*"

Page 5, delete lines 1 to 3

Page 5, line 21, after "*businesses*" insert "*with qualifying property*" and delete "*an enterprise*" and insert "*the*"

Page 5, lines 24 and 25, delete "*if the purchase was made after January 1, 1988*"

Page 5, line 32, after the semicolon, insert "*and*"

Page 5, line 36, delete "*; and*" and insert a period

Page 6, delete lines 1 to 4

Page 6, line 22, delete "*\$10,000,000*" and insert "*\$2,500,000*"

Page 7, line 22, delete "*Notwithstanding any other law or charter provision,*"

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. 613: A bill for an act relating to housing; regulating the powers and duties of the housing finance agency; amending Minnesota Statutes 1988, sections 462A.03, subdivision 12; 462A.05, subdivisions 4, 14a, 20, 21, and 27, and by adding subdivisions; 462A.07, subdivision 14, and by adding a subdivision; and 462A.21, subdivisions 4c and 12, and by adding a subdivision.

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

Page 3, line 6, reinstate the stricken "to"

Page 4, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 1988, section 462A.05, subdivision 27, is amended to read:

Subd. 27. The agency, or the corporations referred to in subdivision 26, may acquire property or property interests under subdivisions 25 and 26 and section 462A.06, subdivision 7, for the following purposes: (1) to protect a loan or grant in which the agency or corporation has an interest; or (2) to preserve for the use of low- and moderate-income persons or families multifamily housing, ~~previously financed by the agency,~~ which *was (i) previously financed by the agency, or (ii) not financed by the agency but is benefited by federal housing assistance payments or other rental subsidy or interest reduction contracts.* Property or property interests acquired for the purpose specified in clause (1) may be acquired by foreclosure, deed in lieu of foreclosure, or otherwise.

Multifamily property acquired as provided in clause (2) must be managed on a fee basis by an entity other than the agency or corporation. The agency or corporation may manage the property on a temporary basis until an agreement is entered into with another entity to manage the property. The agency or corporation shall make the property available for sale at a purchase price and on terms that are mutually agreeable to the parties."

Page 6, line 10, delete "*properties*" and insert "*property*"

Page 6, line 11, delete "*places*" and insert "*place*"

Page 6, delete lines 31 to 36 and insert "*programs for American Indians who intend to reside on reservations and who are not persons of low and moderate income, provided that the aggregate dollar amount of the loans for each lender's fiscal year shall not exceed an amount equal to 25 percent of the total dollar amount of all loans made by that lender during the lender's fiscal year at the time of*"

Page 7, delete lines 1 and 2

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

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

S.F. No. 1125: A bill for an act relating to agriculture; developing a portable computerized system adapting fertilization rates to soil characteristics; 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. Pehler from the Committee on Education, to which was referred

S.F. No. 704: A bill for an act relating to education; appropriating money to establish and expand post-secondary nursing programs and for nursing scholarships.

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 FOR GRANTS FOR NURSING EDUCATION.]

*Subdivision 1. [NURSING EDUCATION.] There is appropriated from the general fund to the higher education coordinating board \$675,000 for fiscal year 1990 and \$500,000 for fiscal year 1991 for nursing education program grants and for nursing scholarships. The purpose is:*

- (1) to address the shortage of registered nurses in Minnesota; and*
- (2) to promote recruitment and long-term retention of registered nurses by increasing access to nursing education.*

*Subd. 2. [OUTREACH PROGRAM GRANTS.] \$175,000 is appropriated from the general fund to the higher education coordinating board for fiscal year 1990 for grants to establish or expand baccalaureate and masters completion programs for currently licensed registered nurses.*

*Public or private post-secondary institutions that have nursing programs are eligible to receive grants. To obtain a grant, an institution must submit an application to the higher education coordinating board. The board may award grants after consulting with the advisory task force. Grants may be awarded only to institutions that design programs that meet the following criteria:*

- (1) assess and give credit for prior learning;*
- (2) provide opportunities for part-time enrollment; and*
- (3) are offered in regions of the state that demonstrate the greatest need for baccalaureate and masters completion programs.*

*Subd. 3. [SCHOLARSHIPS.] Up to \$250,000 of the appropriation for each fiscal year is for scholarships for part-time or full-time students enrolled in programs designed to prepare individuals to become registered nurses. Up to \$250,000 of the appropriation for each fiscal year is for scholarships for part-time or full-time students enrolled in baccalaureate, masters, or doctorate degree programs in nursing. If the amount appropriated for either type of scholarship is insufficient, the appropriation for the other type of scholarship is available.*

*The higher education coordinating board shall establish a nursing scholarship program. The board may award scholarships after consulting with the advisory task force.*

*Subd. 4. [ADVISORY TASK FORCE.] The higher education coordinating board shall appoint an advisory task force to:*



(1) review applications and make recommendations about the grants for nursing education programs;

(2) recommend to the board eligibility requirements for scholarship recipients, procedures for awarding scholarships, procedures for allowing the use of matching grants, and alternate methods of determining award amounts;

(3) recommend, as necessary, other policy matters concerning the nursing education program grants and nursing scholarships; and

(4) recommend the conditions under which a nursing scholarship would not be included in the calculation of awards under Minnesota Statutes, chapter 136A.

Subd. 5. [CARRYOVER.] Any unencumbered balance of the appropriation in this section for fiscal year 1990 does not cancel but is available for fiscal year 1991.

Subd. 6. [REPORT TO LEGISLATURE.] The higher education coordinating board shall submit a two-page report about the outreach program grants and the scholarship program to the education and appropriations or finance committees of the legislature by January 1, 1990, and January 1, 1991.

## Sec. 2. [HEALTH PROFESSIONS STUDY.]

There is appropriated \$57,000 for fiscal year 1990 from the general fund to the higher education coordinating board for a study of the educational needs of health care professions. The board shall:

(1) determine where employee shortages are occurring; and

(2) study shortages resulting from changes in educational requirements for health practitioners other than registered nurses.

The board shall make recommendations about assistance that could be provided by post-secondary institutions to help alleviate the shortages. The board shall submit its report to the education committees and higher education finance divisions of the legislature by January 1, 1990."

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. 607: A bill for an act relating to education; providing for notice of vacancies on the board of regents of the University of Minnesota; requiring use of the open appointments process; amending Minnesota Statutes 1988, section 137.0245, subdivision 4; 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 1988, section 137.0245, subdivision 4, is amended to read:

Subd. 4. [RECOMMENDATIONS.] The advisory council shall recommend at least two and not more than four candidates for each open seat.

By February 1 of each odd-numbered year, the advisory council shall submit its recommendations to the president of the senate and the speaker of the house of representatives, *along with the names of people who submitted applications to the council. The names of applicants who are not interviewed by the council are private data on individuals, according to chapter 13.* The legislature shall not be bound by these recommendations.

Sec. 2. [137.0247] [NOTICE OF VACANCIES ON BOARD OF REGENTS.]

*Subdivision 1. [NOTICE BY COMMITTEE CHAIRS.] The chairs of the senate and house of representatives committees on education shall, by October 15 of each even-numbered year, notify the secretary of state and the regent candidate advisory council of the vacancies on the board of regents of the University of Minnesota that will occur the following year. The chairs shall also give notice of the vacancies to each member of the legislature and each person who will be seated as a member of the legislature the following January so that current and future members may encourage people with knowledge of the university and interest in becoming a regent to furnish their names to the regent candidate advisory council.*

*Subd. 2. [NOTICE BY SECRETARY OF STATE.] The secretary of state shall proceed under the open appointments law, section 15.0597.*

*Subd. 3. [NOTICE BY REGENT CANDIDATE ADVISORY COUNCIL.] The regent candidate advisory council shall notify each public library of the vacancies. The council shall notify the media in a congressional district of each vacancy in a congressional district and media with state coverage of at-large vacancies. The regent candidate advisory council shall also notify each of the following of the vacancies:*

*(1) alumni associations of the University of Minnesota, each state university, and each community college;*

*(2) all state-level boards and agencies representing minority groups and protected classes, including but not limited to the Indian affairs council, legislative commission on the economic status of women, council on affairs of Spanish-speaking people, council on black Minnesotans, council on Asian-Pacific Minnesotans, and council for the handicapped;*

*(3) state business associations and local chambers of commerce in the congressional district in which a vacancy will occur;*

*(4) state labor organizations; and*

*(5) state organizations related to education, including but not limited to the state board of education, higher education coordinating board, state university board, state board for community colleges, higher education professional associations, and elementary and secondary professional associations."*

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

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

S.F. No. 1079: A bill for an act relating to Ramsey county; increasing the size of the personnel board; permitting the personnel director to issue certain subpoenas; amending Minnesota Statutes 1988, sections 383A.287, subdivision 2; and 383A.294, 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. 1205: A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1988, section 3.981, subdivision 2, 8, and by adding subdivisions; 3.982; 3.983, subdivision 3; 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and 14; repealing Minnesota Statutes 1988, section 3.981, subdivisions 4, 5, and 9.

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

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

S.F. No. 1258: A bill for an act relating to Martin county; permitting the county board to assign certain duties to the county recorder.

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. 1009: A bill for an act relating to Carver county; providing for the location of offices for the county attorney, court administrator, and sheriff, and for the location of the district court and the county jail.

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

Page 1, line 8, after "*board*" insert "*and the Scott county board*"

Page 1, lines 18 and 22, before "*shall*" insert "*and Scott county*"

Page 1, line 25, after "*effect*" insert "*for each county*"

Page 2, line 1, after "*board*" insert "*and the Scott county board*"

Amend the title as follows:

Page 1, line 2, delete "*county*" and insert "*and Scott counties*"

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. 1373: A bill for an act relating to local government; authorizing the city of St. Louis Park to change the name of the housing and redevelopment authority; permitting the recording of certain deeds.

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

and be re-referred to the Committee on Economic Development and Housing. Mr. Schmitz 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 re-referred

S.F. No. 278: A bill for an act relating to economic development; revising provisions governing regional development commissions; renaming regional development commissions; authorizing the establishment of area development alliances; appropriating money; amending Minnesota Statutes 1988, sections 462.381; 462.382; 462.383; 462.384, subdivisions 1, 2, 5, 6, 7, and by adding subdivisions; 462.385; 462.386; 462.387; 462.388; 462.389; 462.39; 462.393; 462.394; 462.395; 462.396; 462.397; and 462.398; proposing coding for new law in Minnesota Statutes, chapter 462; repealing Minnesota Statutes 1988, sections 462.384, subdivisions 3 and 4; 462.391; and 462.392.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1  
AREA DEVELOPMENT ALLIANCE ACT

Section 1. Minnesota Statutes 1988, section 462.381, is amended to read:

462.381 [TITLE.]

Sections 462.381 to 462.398 may be cited as the "~~regional~~ *area development alliance act of 1969.*"

Sec. 2. Minnesota Statutes 1988, section 462.382, is amended to read:

462.382 [APPLICATION.]

~~The provisions of Sections 462.381 to 462.398 have no application do not apply~~ to the metropolitan council created by or the region defined by Laws 1967, chapter 896.

Sec. 3. Minnesota Statutes 1988, section 462.383, is amended to read:

462.383 [PURPOSE.]

~~Subdivision 1. The legislature finds that problems of growth and development in urban and rural regions of the state so transcend the boundary lines of local government units that no single unit can plan for their solution without affecting other units in the region; that various multicounty planning activities conducted under various laws of the United States are presently being conducted in an uncoordinated manner; that intergovernmental cooperation on a regional basis is an effective means of pooling the resources of local government to approach common problems; and that the assistance of the state is needed to make the most effective use of local, state, federal, and private programs in serving the citizens of such urban and rural regions.~~

~~Subd. 2. It is the purpose~~ *The purposes* of sections 462.381 to 462.398 are:

(1) to facilitate intergovernmental cooperation and;

(2) to insure the orderly and harmonious coordination of state, federal,

and local comprehensive planning and development programs for the solution of economic, social, physical, and governmental problems of the state and its citizens by providing for the creation of regional development commissions;

(3) to provide assistance to local communities and governmental units on an areawide basis; and

(4) to identify and address rural issues and problems.

Sec. 4. Minnesota Statutes 1988, section 462.384, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For the purposes of *The definitions in this section apply to sections 462.381 to 462.398 the terms defined in this section have the meanings given them.*

Sec. 5. Minnesota Statutes 1988, section 462.384, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL UNIT.] "Governmental unit" means a county, *home rule charter or statutory* city, town, school district, or other political subdivision of the state.

Sec. 6. Minnesota Statutes 1988, section 462.384, subdivision 7, is amended to read:

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of the state planning agency exercising the authority conferred by under sections 116K.01 to 116K.13.

Sec. 7. Minnesota Statutes 1988, section 462.384, is amended by adding a subdivision to read:

*Subd. 8. [ALLIANCE.] "Alliance" means an area development alliance established under section 462.387.*

Sec. 8. Minnesota Statutes 1988, section 462.384, is amended by adding a subdivision to read:

*Subd. 9. [ALLIANCE AREA.] "Alliance area" or "area" means a geographic area composed of at least three contiguous counties with a population of at least 50,000, established under section 462.387.*

Sec. 9. Minnesota Statutes 1988, section 462.384, is amended by adding a subdivision to read:

*Subd. 10. [CITY.] "City" means a home rule charter or statutory city.*

Sec. 10. Minnesota Statutes 1988, section 462.386, is amended to read:

462.386 [MULTICOUNTY PLANNING AND DEVELOPMENT; CONFORMANCE WITH REGIONS AREAS.]

Subdivision 1. [MULTICOUNTY PLANNING AND DEVELOPMENT.] All coordination, planning, and development ~~regions~~ *areas* assisted or created by the state of Minnesota or pursuant to federal legislation shall must conform to the ~~regions designated by the executive order~~ *areas established under section 462.387* except where, after review and approval by the commissioner, nonconformance is clearly justified. The commissioner shall develop working agreements with state and federal departments and agencies to insure conformance with this subdivision.

*Subd. 3. [FEDERAL ECONOMIC DEVELOPMENT DISTRICTS.] The*

*boundaries of an economic development district established under the United States Public Works and Economic Development Act of 1965, as amended through December 31, 1988, United States Code, title 42, section 3171, may be modified with the approval of an affected county and the development district.*

Sec. 11. Minnesota Statutes 1988, section 462.387, is amended to read:

462.387 [REGIONAL AREA DEVELOPMENT COMMISSIONS ALLIANCE; ESTABLISHMENT.]

Subdivision 1. [PETITION.] *(1) Any combination of counties or municipalities cities representing a majority of the population of the region area, or (2) any combination of contiguous counties, upon approval by a majority of the governing bodies of the cities and towns of each county located within the area for which a commission an area development alliance is proposed: may petition the commissioner by formal resolution setting forth its desire to establish, and the need for, the establishment of a regional an area development commission alliance. For purposes of this section the petition requirement, the population of a county does not include the population of a municipality city within the county. The petition must include the geographic boundaries of the proposed area. The area must include a population of at least 50,000 and at least three contiguous counties. The area may include towns that are contiguous to the counties that are located in the proposed area. The area may also include cities that are located in more than one county and are contiguous to the proposed area. All counties, contiguous towns, and contiguous cities that were part of an alliance that has been terminated and are not part of an existing alliance must be allowed to petition to form the proposed alliance.*

Subd. 3. [ESTABLISHMENT.] *Upon Within 35 days of the receipt of a petition as provided in subdivision 1 a regional development commission shall be established by the commissioner and the notification of, the commissioner shall notify all local government governmental units within the region area for which the commission alliance is proposed. The notification shall be made within 60 days of the commissioner's receipt of a petition under subdivision 1; and fix a time and place within the proposed area for a public hearing. Notice and time requirements specified in section 462.398, subdivision 2, apply to the public hearing. After determining that the boundaries of the proposed alliance area do not overlap with another area development alliance, and within 60 days of the date of the public hearing, the commissioner shall establish the area development alliance by commissioner's order.*

Subd. 4. [SELECTION OF MEMBERSHIP.] *The commissioner shall call together each of the membership classifications except citizen groups the public members, defined in section 462.388, within 60 days of the establishment of a regional an area development commission alliance for the purpose of selecting the commission alliance membership.*

Sec. 12. [462.3871] [ANNEXATION PROCEDURE.]

*Subdivision 1. [COUNTIES IN EXISTING ALLIANCE.] One or more counties comprising a part of an existing area development alliance may petition the commissioner by county board resolution to withdraw the county or counties from the alliance for the purpose of annexing the county or counties to a contiguous proposed or established area development alliance. The commissioner may order the annexation only if the following*

*conditions are met:*

*(1) the population of the area development alliance from which the county or counties request withdrawal is at least 50,000 after the county or counties withdraw;*

*(2) at least three contiguous counties remain in the alliance after the withdrawal;*

*(3) none of the petitioning counties have established an alliance or have been authorized to annex with the alliance that they are currently a part of in the past five years;*

*(4) the alliance with which the county or counties are requesting annexation must approve of the annexation; and*

*(5) the commissioner approves of the annexation, after making the determination that the population and economic patterns of the county or counties are consistent with the proposed annexation.*

**Subd. 2. [COUNTIES OR TOWNS NOT PART OF AN ALLIANCE.]** Upon approval by a majority of the governing bodies of the cities and towns of a county, a county that is not part of an existing area development alliance may petition the commissioner by county board resolution for the purpose of annexing the county to a contiguous area development alliance. The commissioner may order the annexation only if the following conditions are met:

*(1) the alliance with which the county is requesting annexation must approve of the annexation; and*

*(2) the commissioner approves of the annexation, after making the determination that the population and economic patterns of the county are consistent with the proposed annexation.*

A town that is not part of an existing area development alliance may petition the commissioner by town board resolution for the purpose of annexing the town to a contiguous area development alliance. The commissioner may order the annexation if the town meets the conditions specified in clauses (1) and (2) of this subdivision.

If a county or town was not part of a regional development commission existing on January 1, 1989, the county or town may not petition the commissioner for the purpose of annexing to a regional development commission that was renamed and reconstituted as an area development alliance under section 23, until after January 1, 1994.

**Subd. 3. [ANNEXATION BY COMMISSIONER'S INITIATIVE.]** Within two years after a federal decennial census, the state demographer must review the boundaries of the areas and submit a report to the commissioner with boundary modification recommendations, taking into account the population and economic patterns of each area. Upon receiving boundary modification recommendations from the state demographer, the commissioner may order an annexation under subdivision 1 without meeting the petition requirements after determining that the other conditions specified in subdivision 1 have been met.

**Subd. 4. [CITIES ANNEXATION.]** A city that is located in more than one county may petition the commissioner by city council resolution for the purpose of annexing the entire city to a contiguous area development alliance. The commissioner may order the annexation if the city meets the

conditions specified in subdivision 2, clauses (1) and (2).

Subd. 5. [PUBLIC HEARING REQUIREMENTS.] *The commissioner must hold a public hearing in the proposed annexation area before ordering an annexation under this section. Notice and time requirements specified in section 462.398, subdivision 2, apply to the public hearing.*

Sec. 13. Minnesota Statutes 1988, section 462.388, is amended to read:  
462.388 [COMMISSION ALLIANCE MEMBERSHIP]

Subdivision 1. [COMPOSITION.] ~~A commission shall consist~~ *An alliance consists of the following members:*

(1) one member from each county board of every county in the ~~development region~~ *area, selected by each respective county board;*

(2) one additional county board member from each county of ~~over 100,000~~ *with a population greater than 100,000, selected by each respective county board of these counties;*

(3) the town clerk, town treasurer, or one member of a town board of supervisors from each county containing organized towns, *selected by the town officers association in each respective county, or the town boards of supervisors in each county if a town officers association does not exist in the county;*

(4) one additional member selected by the county board of any county containing no townships;

(5) one mayor or council member from a ~~municipality of under 10,000~~ *city with a population less than 10,000, from each county, selected by the mayors of all such municipalities the cities in the county;*

(6) one mayor or council member from each ~~municipality of over~~ *city with a population greater than 10,000 in* from each county, *selected by the mayor of each of these respective cities;*

(7) two school board members elected by a majority of the chairs of school boards in the ~~development region~~ *area;*

(8) one member from each council of governments, *selected by each council; and*

(9) ~~citizens~~ *at least one public member from each county or portion of a county in the area, selected by the other alliance members and representing public interests within the region including members of minority groups area, to be selected after adoption of the bylaws of the commission; and*

(10) ~~the chair, who shall be selected by the commission alliance. At least 30 percent of the alliance membership must consist of public members who are not members of the governing body of a county, city, or town.~~

*The public membership of the alliance may consist of members of minority groups, post-secondary educational institutions, senior citizen groups, human service organizations, natural resource organizations, nonprofit economic development entities, local chambers of commerce, and the general public interested in community and economic development.*

Subd. 2. [TERMS; SELECTION.] *The terms of office and method of selection of members other than, including the chair shall and other officers, must be provided for in the bylaws of the commission which shall*



~~not be inconsistent~~ alliance. The alliance must select a chair from its own membership. An alliance member may not serve more than ten consecutive years. The bylaws must be consistent with the provisions of subdivision 1. The ~~commission~~ alliance shall adopt ~~rules setting forth~~ bylaws providing for its procedures.

Subd. 5. [PER DIEM; EXPENSES.] Members of the ~~regional commission~~ alliance may receive a per diem of ~~not over \$35, the amount to be determined by the commission in the amount specified under section 15.0575, subdivision 3, and shall~~ must be reimbursed for their reasonable expenses as determined by the ~~commission~~ alliance. The ~~commission shall~~ alliance may provide for the election of a board of directors, who need not be ~~commission~~ alliance members, and provide, at its discretion, for a per diem of ~~not over \$35 a day in the amount specified under section 15.0575, subdivision 3,~~ for meetings of the board and expenses. A member of the board of directors ~~who is a member of the commission shall~~ may receive only the per diem payable to board members when meetings of the board of directors and the ~~commission~~ alliance are held on the same day.

Sec. 14. Minnesota Statutes 1988, section 462.389, is amended to read:

462.389 [DEVELOPMENT COMMISSION ALLIANCE CHAIR; OFFICERS AND STAFF]

Subdivision 1. [CHAIR.] The chair of the ~~commission~~ alliance shall have been a resident of the ~~region~~ area for at least one year and shall be a person experienced in the field of government affairs. The chair shall preside at the meetings of the ~~commission~~ alliance and board of directors, appoint all employees ~~thereof, subject to the approval of the commission as provided in the personnel system adopted under subdivision 4,~~ and be responsible for carrying out all policy decisions of the ~~commission~~ alliance. The chair's expense allowances ~~shall~~ must be fixed by the ~~commission~~ alliance. The term of the first chair ~~shall be~~ is one year, and the chair shall serve until a successor is selected and qualifies. At the expiration of the term of the first chair, the chair ~~shall~~ must be elected from the membership of the ~~commission~~ alliance according to procedures established in its bylaws.

Subd. 2. [OFFICERS.] Except as provided in subdivision 1, the ~~commission shall~~ alliance may elect ~~such~~ officers as it ~~deems~~ considers necessary for the conduct of its affairs. Times and places of regular and special meetings ~~shall~~ must be fixed by the ~~commission~~ alliance and may be provided in the ~~commission~~ alliance bylaws. In the performance of its duties the ~~commission~~ alliance may adopt bylaws; ~~rules governing its operation;~~ establish committees, divisions, departments, and bureaus; ~~and;~~ staff the ~~same~~ committees, divisions, departments, and bureaus as necessary to carry out its duties; and when specifically authorized by law, make appointments to other governmental agencies and districts. All officers and employees ~~shall~~ serve at the pleasure of the ~~commission~~ alliance and in accordance with this section.

Subd. 3. [EXECUTIVE DIRECTOR.] Upon the recommendation of the chair, the ~~commission~~ alliance may appoint an executive director to serve as the chief administrative officer. ~~The director may be chosen from among the citizens of the nation at large, and shall be selected on the basis of training and experience in the field of government affairs.~~

Subd. 4. [EMPLOYEES.] The ~~commission~~ alliance may prepare, in consultation with the state commissioner of employee relations, and may adopt

a ~~merit~~ *personnel* system for its officers and employees, including *hiring procedures and policies*, terms and conditions ~~for the~~ *of* employment, ~~the~~ *fixing* of compensation, ~~their~~ classification, benefits, ~~and~~ the filing of performance and fidelity bonds, and ~~such policies of~~ *insurance policies* as it ~~may deem~~ *considers* advisable, ~~the~~ *with* premiums for ~~which, however,~~ *shall* to be paid for by the ~~commission~~ *alliance*. Officers and employees are public employees within the meaning of chapter 353. The ~~commission~~ *alliance* shall make the employer's contributions to pension funds of its employees.

Subd. 5. [STAFF SERVICES.] To avoid duplication of staffs for various regional bodies assisted by federal government, the ~~commission~~ *alliance* may provide basic administrative, research, and planning services for all regional planning and development bodies ~~hereafter established~~ in Minnesota. The ~~commission~~ *alliance* may contract to obtain or perform services with state agencies, nonprofit regional groups, subdistricts organized as the result of federal programs, councils of governments organized under section 471.59, or ~~any~~ other law, and with ~~local governments~~ *governmental units*.

Subd. 6. [CONSULTANTS.] The ~~commission~~ *alliance* may contract for the services of consultants who perform engineering, legal, or other services of a professional nature for peak workloads, continuing advice on program direction, and for specialized and technical services. ~~Such~~ *The* contracts ~~shall~~ *are* not be subject to the requirements of any law relating to public bidding.

Sec. 15. Minnesota Statutes 1988, section 462.39, is amended to read:  
462.39 [POWERS AND DUTIES.]

Subdivision 1. [GENERAL POWERS.] The ~~commission~~ *alliance* shall have and exercise all powers which may be necessary or convenient to enable it to perform and carry out the duties and responsibilities of sections 462.381 to 462.398 or which may hereafter be imposed upon it by law. ~~Such~~ *The* powers include the specific powers enumerated in this section. The ~~commission~~ *alliance* is an ~~instrumentality~~ *political subdivision* of the state for purposes of section 297A.25, subdivision 11.

Subd. 2. [STATE AND FEDERAL PROGRAMS.] The ~~commission~~ *is* the authorized ~~agency to~~ *alliance may* receive state and federal grants for regional purposes from the following programs:

(1) ~~Section 403 of the~~ Public Works and Economic Development Act of 1965, ~~as amended through December 31, 1988, United States Code, title 42, section 3171~~ (economic development districts); ~~and~~

(2) ~~Section 701 of the~~ Housing Act of 1954; ~~as amended (multicounty comprehensive planning);~~

~~(3) Omnibus Crime Control Act of 1968;~~

~~and for the following to the extent feasible as determined by the governor:~~

~~(a) Economic Opportunity Act of 1964;~~

~~(b) Comprehensive Health Planning Act of 1965;~~

~~(c) Federal regional manpower planning programs;~~

~~(d) Resource, conservation, and development districts; or~~

(e) any other state and federal programs providing funds for local, multicounty, or regional planning, coordination, service delivery, and development purposes. ~~The director shall, where consistent with state and federal statutes and regulations, review applications for all state and federal regional planning and development grants to a commission, to the extent determined feasible by the governor.~~

Subd. 3. [PLANNING.] ~~The commission shall~~ *alliance may* prepare and adopt, after appropriate study and ~~such~~ public hearings as may be necessary, a ~~comprehensive~~ development plan *plans* for the ~~region~~ area or portions of the area. The ~~plan shall~~ *plans may* consist of a ~~compilation~~ of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the ~~region~~ area. ~~The comprehensive development plan shall recognize and encompass physical, social, or economic needs of the region, and those future developments which will have an impact on the entire region including but not limited to such matters as land use, parks and open space land needs, access to direct sunlight for solar energy systems, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, public and private, housing, and other public buildings. In preparing the development plan the commission shall use to the maximum extent feasible the resources studies and data available from other planning agencies within the region, including counties, municipalities, special districts, and subregional planning agencies, and it shall utilize the resources of the director to the same purpose. The plans may also include an outline of trends, issues, and problems occurring in rural areas of the state. No A development plan or portion thereof of a plan for the region shall area may not be adopted by the commission alliance until it has been submitted to the director commissioner for review and comment and a period of 60 days has elapsed after such the submission. When a development plan has been adopted, the commission alliance shall distribute it to all local government governmental units within the region area.~~

Subd. 4. [COMPREHENSIVE PLANNING.] ~~The creation establishment of a regional development commission an area development alliance does not affect the right of counties or municipalities cities to conduct subregional or district planning under sections 462.371 to 462.375 or 471.59. It is the purpose of sections 462.381 to 462.398 to encourage local and subdistrict planning capability and the regional commission alliance shall as far as practical use the data, resources, and input of the local planning agencies.~~

Subd. 5. [PLANNING REVIEW.] *The alliance may review all long-term comprehensive plans of each governmental unit, independent commission, board, or agency, but only if the plan is determined by the alliance to have an areawide effect, a multicomunity effect, or to have a substantial effect on development of the area. Each plan determined to have areawide significance by the alliance must be submitted to the alliance for review and comment before any action is taken to place the plan or any part of the plan into effect. No action shall be taken to place any plan or any part of a plan into effect until 60 days have elapsed after the date of its submission to the alliance or until the alliance reviews and comments on the plan. The alliance shall develop, in consultation with the commissioner, formal procedures for the review of plans required to be submitted to it under this subdivision. The procedures must be included in a formal resolution adopted after public hearing. After adoption, the resolution must be transmitted to*

*each governmental unit and independent agency, board, or commission within the area.*

*Subd. 6. [RESEARCH.] The alliance may research and study issues and concerns relating to water, land use, economic development, minority problems, governmental problems, human and natural resources, waste reduction and management, communication, transportation, and other subjects of concern to the general public of the area. The alliance may institute demonstration projects in connection with a study.*

*Subd. 7. [PROGRAM COORDINATION.] The alliance may coordinate civil defense, community shelter planning, flood plain management programs, and other programs of areawide significance within the area and contract with local governmental agencies and consultants for the purpose of program coordination.*

*Subd. 8. [LOCAL GOVERNMENT BOUNDARIES.] The alliance may participate as a party in any proceedings originating before the Minnesota municipal board under chapter 414, if the proceedings involve the change in a boundary of a governmental unit in the area.*

*Subd. 9. [DATA AND INFORMATION.] The alliance, in consultation with appropriate departments and agencies of the state, may develop, in cooperation with the public and private colleges and universities and governmental units, a center for data collection and storage to be used by it and other governmental and private users. The alliance may enter into agreements with any state or federal agency to provide information to the governmental units, and others, regarding federal and state programs and data sources.*

*Subd. 10. [SERVICES AND TECHNICAL ASSISTANCE.] The alliance may contract with governmental units and private organizations to provide them with services and technical assistance in the conduct of local planning and development activities. The alliance may also provide technical assistance to governmental units on a noncontractual basis.*

*Subd. 11. [REVOLVING LOAN FUND.] In order to promote and encourage local economic development, the alliance may establish a revolving loan fund to provide loans to businesses. If the alliance establishes a revolving loan fund, the alliance shall establish uniform application forms and procedures, minimum interest rates, security requirements, restrictions on the amount of the alliance's participation in a project, and other financial terms and conditions that the alliance determines are necessary in providing financial assistance. The alliance may sell, at private or public sale, loans made under this subdivision to a business, for profit or nonprofit organization, or an individual.*

**Sec. 16. [462.3925] [COUNTY ECONOMIC DEVELOPMENT AUTHORITY.]**

*Subdivision 1. [ESTABLISHMENT.] A county located in an alliance area may establish a county economic development authority that has the same powers as an economic development authority established under section 469.091. If a county establishes an economic development authority, the county shall exercise all of the powers relating to an economic development authority granted to a city under sections 469.090 to 469.108.*

*Subd. 2. [DISTRICTS.] A county economic development authority may create and define the boundaries of economic development districts at any*

place or places within the county. Section 469.174, subdivision 10, and the contiguity requirement specified under section 469.101, subdivision 1, do not apply to county economic development districts.

Subd. 3. [LIMITATION.] A county economic development authority may only exercise its powers or levy authority within the boundaries of a city at the request of the city's governing body. A county economic development authority may not exercise its levy authority within the boundaries of a city that has established an economic development authority or port authority.

Subd. 4. [PROJECT REVIEW.] All county economic development authority projects must be submitted to the alliance for review and comment before any action may be taken on the project. No action may be taken on the project until after 45 days have elapsed from the date of submission of the project to the alliance or until the alliance reviews and comments on the project. For purposes of this subdivision, "project" means an economic development district as described in section 469.101, subdivision 1, a project as defined in section 469.002, subdivision 12, or a project as defined in section 469.153, subdivision 2, paragraph (a), (b), or (c).

Sec. 17. Minnesota Statutes 1988, section 462.393, is amended to read:

462.393 [REPORTS.]

Subdivision 1. [ANNUAL REPORT.] On or before August 1 of each year, the ~~commission~~ alliance shall prepare a report for the governmental units, the public within the ~~region~~ area, the legislature and the governor. The report shall must include:

(1) A statement of the ~~commission's~~ alliance's receipts and expenditures by category since the preceding report;

(2) A detailed budget for the year in which the report is filed and a tentative budget for the following year including an outline of its program for ~~such~~ the period;

(3) A description of ~~any comprehensive plan~~ development plans adopted in whole or in part for the ~~region~~ area;

(4) Summaries and recommendations of any studies and the ~~recommen-~~ dations resulting therefrom made conducted for the ~~region~~ area;

(5) A listing of all applications for federal grants or loans made by governmental units within the region together with the action taken by the ~~commission~~ in relation thereto;

(6) A listing of plans of local governmental units submitted to the region, and actions taken in relationship thereto;

(7) Recommendations of the ~~commission~~ alliance regarding federal and state programs, cooperation, funding, and legislative needs; and

(8) (6) A summary of any report made during the previous year by the state auditor relative to the ~~commission~~ alliance.

Subd. 2. [PERFORMANCE REPORT.] In ~~1981~~ 1991 and every five years thereafter the ~~commission~~ alliance shall review its activities and issue a report assessing its to the commissioner, the governmental units within the area, and the general public within the area. The report must include:

(1) an assessment of the alliance's performance in fulfilling the purposes of the ~~regional~~ area development alliance act of 1969. The report shall

state whether the existence of the commission is in the public welfare and interest. The report shall be included in the report required by subdivision 1.;

(2) an assessment of the state of the alliance area, outlining trends and problems occurring within the alliance area; and

(3) recommendations addressing the trends and problems outlined.

Sec. 18. Minnesota Statutes 1988, section 462.394, is amended to read:  
462.394 [CITIZEN PARTICIPATION AND ADVISORY COMMITTEES.]

The ~~commission~~ alliance may appoint advisory committees of interested and affected ~~citizens~~ members of the general public to assist in the review of plans, programs, and other matters referred for review by the ~~commission~~ alliance. Whenever a special advisory committee is required by any a federal or state regional program, the ~~commission~~ alliance chair shall, as far as practical, appoint ~~such~~ advisory committees as advisory groups to the ~~commission~~ alliance. Members of the advisory committees shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the ~~commission~~ alliance.

Sec. 19. Minnesota Statutes 1988, section 462.395, is amended to read:  
462.395 [DUTIES OF STATE AGENCIES.]

All state departments and agencies shall cooperate with ~~regional area~~ development ~~commissions~~ alliances established under sections 462.381 to 462.398 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The ~~director~~ commissioner shall coordinate the state's assistance programs to ~~regional planning and area~~ development ~~commissions~~ alliances.

Sec. 20. Minnesota Statutes 1988, section 462.396, is amended to read:  
462.396 [FINANCIAL; STATE ASSISTANCE.]

Subdivision 1. [GRANTS.] The ~~director~~ commissioner shall determine the amount of and make grants to any ~~commission~~ alliance created under sections 462.381 to 462.398 from appropriations made available for those purposes, provided a work program is submitted acceptable to the ~~director~~ commissioner. ~~Any regional commission~~ An alliance may levy a tax on all taxable property in the ~~region area~~ to provide money for the purposes of sections 462.381 to 462.398.

Subd. 2. [BUDGET, TAX LEVY.] On or before ~~August 20, 1971, and June 30 of each year thereafter,~~ the ~~commission~~ alliance shall submit its proposed budget for the ~~ensuing calendar~~ next fiscal year showing anticipated receipts, disbursements and ad valorem tax levy with a written notice of the time and place of the public hearing on the proposed budget to each county auditor and ~~municipal city~~ clerk within the ~~region area~~ and those town clerks who in advance have requested a copy of the budget and notice of public hearing. On or before October 1, ~~1971, and of each year thereafter,~~ the ~~commission~~ alliance shall adopt, after a public hearing held ~~not~~ no later than September 20, a budget covering its anticipated receipts and disbursements for the ~~ensuing next~~ year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. After adoption of the budget and no later than October 1, the secretary of the ~~commission~~ alliance shall certify to the auditor of each county within the ~~region area~~ the county share of ~~such~~ the tax, which shall be in an

amount bearing the same proportion to the total levy agreed on by the ~~commission~~ *alliance* as the gross tax capacity of the county bears to the gross tax capacity of the ~~region~~ *area*. The maximum amount of any levy made for the purposes of sections 462.381 to 462.398 shall not exceed one-sixth of one mill on each dollar of gross tax capacity of all taxable property in the ~~region~~ *area*. The auditor of each county in the ~~region~~ *area* shall add the amount of any levy made by the ~~commission~~ *alliance* within the limits imposed by this subdivision to other tax levies of the county for collection by the county treasurer with other taxes. When collected, the county treasurer shall make settlement of ~~such the~~ taxes with the ~~commission~~ *alliance* in the same manner as other taxes are distributed to political subdivisions. The levy authorized by this section ~~shall be~~ *is* in addition to any other county taxes authorized by law.

Subd. 3. [GIFTS; GRANTS; LOANS.] The ~~commission~~ *alliance* may accept gifts, apply for and use grants or loans of money or other property from the United States, the state, *private organizations*, or any person, local or governmental body for any ~~commission~~ *alliance* purpose and may enter into agreements required in connection therewith and may hold, use, and dispose of ~~such moneys~~ *money* or property in accordance with the terms of the gift, grant, loan, agreement, or contract ~~relating thereto~~.

Subd. 4. [ACCOUNTS; AUDITS.] The ~~commission~~ *alliance* shall keep an accurate account of its receipts and disbursement. Disbursements of funds of the ~~commission~~ *alliance* ~~shall~~ *must* be made by check signed by the chair ~~or~~, vice-chair, or secretary of the ~~commission~~ *alliance* and countersigned by the executive director or an authorized deputy ~~thereof~~ after ~~such the~~ auditing and approval of the expenditure as may be provided by rules of the ~~commission~~ *alliance*. The state auditor shall audit the books and accounts of the ~~commission~~ *alliance* once each year, or as often as funds and personnel of the state auditor permit. The ~~commission~~ *alliance* shall pay to the state the total cost and expenses of ~~such the~~ examination, including the salaries paid to the auditors while actually engaged in making ~~such the~~ examination. The revolving fund of the state auditor ~~shall~~ *must* be credited with all collections made for any ~~such~~ examination.

Subd. 5. [UNIFORM MUNICIPAL CONTRACT LAW.] *Section 471.345 applies to every contract of the* ~~commission~~ *alliance* for the purchase of merchandise, materials, or supplies ~~shall be let in accordance with the provisions of section 471.345.~~

Subd. 6. [OFFICIAL DEPOSITORY.] The ~~commission~~ *alliance* shall from time to time designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for money of the ~~commission~~ *alliance*, and ~~thereupon~~ shall require the treasurer to deposit all or part of ~~such the~~ money in ~~such the~~ bank or banks. ~~Such~~ *The* designation ~~shall~~ *must* be in writing ~~and set forth,~~ *must include* all the terms and conditions upon which the deposits are made, ~~and shall~~ *must* be signed by the chair and secretary, and ~~must be~~ made a part of the minutes of the ~~commission~~ *alliance*. ~~Any A designated bank or trust company so designated shall qualify~~ *qualifies* as a depository by furnishing a corporate surety bond or collateral as required by chapter 118, and ~~shall thereafter~~ *must*, as long as money of the ~~commission~~ *alliance* is on deposit ~~therein~~, maintain ~~such the~~ bond or collateral and ~~shall be required~~ to secure any deposit, insofar as it is insured under federal law, as provided in section 118.10.

*Subd. 7. [RESERVE FUND.] The alliance may establish an undedicated reserve fund. The amount of an undedicated reserve fund may not exceed two times the amount of taxes levied during the past fiscal year.*

*Subd. 8. [STATE EQUALIZATION REVENUE.] In order to receive state equalization revenue, an alliance must levy a tax of at least one-sixth of one mill times the gross tax capacity of taxable property in the area. If an alliance levies one-sixth of one mill times the gross tax capacity of taxable property in the area, the amount of state equalization revenue is equal to the sum of \$100,000 minus the amount of the tax levied by the alliance and .50 times the area population of up to 100,000 and .30 times the amount of the area population over 100,000 or \$40,000, whichever is greater. The population must be determined by using the most recent population estimate of the state demographer, as provided under section 116K.04, subdivision 4. Equalization revenue may be used for any purpose authorized under sections 1 to 21.*

Sec. 21. Minnesota Statutes 1988, section 462.397, is amended to read:

462.397 [BORROWING MONEY; CERTIFICATES OF INDEBTEDNESS.]

Subdivision 1. [AUTHORIZATION.] At any time after a tax has been levied by the ~~commission~~ alliance and certified to the county auditors to be spread on the next tax roll for collection, the ~~commission~~ alliance may borrow money and in evidence thereof issue and sell its certificates of indebtedness in anticipation of the collection of ~~such~~ the levy.

Subd. 2. [AMOUNT.] The aggregate principal amount of ~~such~~ the certificates then remaining outstanding, issued in anticipation of any levies whatsoever, plus the then unpaid accrued interest and interest to accrue to maturity on all ~~such~~ the certificates, ~~shall~~ may not exceed 50 percent of all taxes certified to the county auditors to be spread and collected which are not delinquent, less the amount ~~thereof~~ received by the ~~commission~~ alliance before the latest certificates were issued.

Subd. 3. [MATURITY.] All certificates ~~shall~~ must mature not later than April 1 following the close of the year of collection of the taxes in anticipation of which they were issued, and may be made subject to redemption before maturity.

Subd. 4. [TERMS.] The ~~commission~~ alliance shall, by the resolution authorizing each issue of certificates, fix the amount, date, maturity or maturities, prepayment provisions, form, denominations, interest rate or rates, and other details of the certificates, and also pledge the full faith and credit of the ~~commission~~ alliance for the payment ~~thereof~~ of the certificates. In ~~and by~~ ~~such~~ the resolution, the ~~commission~~ alliance shall also irrevocably appropriate to a special fund ~~such~~ the amount, stated in dollars, of the levy anticipated as will be required to pay the principal of and interest on the certificates when due.

Subd. 5. [ADDITIONAL LEVY.] If, due to delinquencies in collection ~~thereof~~, the levy is not received at the times and in the amounts sufficient to meet principal of and interest on certificates ~~payable therefrom~~, the ~~commission~~ alliance may levy and cause to be extended, assessed and collected upon all taxable property within the ~~region~~ area, ~~such~~ the ad valorem taxes as may be required to pay ~~such~~ the principal and interest and to restore to other funds advances made for that purpose.



Subd. 6. [SALE.] ~~All such~~ *The certificates may be negotiated and sold in such the manner as may be determined by the commission alliance.*

Sec. 22. Minnesota Statutes 1988, section 462.398, is amended to read:  
462.398 [TERMINATION OF COMMISSION ALLIANCE.]

Subdivision 1. [PETITION.] *(1) Any combination of counties or municipalities representing a majority of the population of the region alliance area, or (2) a majority of counties within the alliance, upon approval by a majority of the governing bodies of the cities and towns of each county located within the area for which a commission alliance exists: may petition the director commissioner by formal resolution stating that the existence of the commission existing alliance is no longer in the public welfare and interest and is not needed to does not accomplish the purposes of the regional area development alliance act of 1969. For purposes of this section the petition requirement, the population of a county does not include the population of a municipality city within the county. Any formal resolution adopted by the governing body of a county or municipality, city, or town for the termination of a commission shall be an alliance is effective for a period of one year for the purpose of determining the requisite population of the region area or number of counties, cities, and towns needed to petition the director commissioner.*

Subd. 2. [HEARING; NOTICE.] *Within 35 days of the receipt of the petition, the director commissioner shall fix a time and place within the region area for a hearing. The director commissioner shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a legal newspaper in each of the counties which the commission alliance represents. The hearing shall must be conducted by members of the commission alliance. If the commission alliance determines that the existence of the commission existing alliance is no longer in the public welfare and interest and that it is not needed to does not accomplish the purposes of the regional area development alliance act of 1969, the commission alliance shall recommend to the director commissioner that the director commissioner terminate the commission alliance. Within 60 days after receipt of the recommendation, the director commissioner shall terminate the commission alliance by giving notice of the termination to all government governmental units within the region area for which the commission alliance was established. Unless otherwise provided by this subdivision, the hearing shall must be in accordance with sections 14.01 to 14.69.*

Subd. 3. [LIMITATION.] *The director commissioner shall not accept a petition for termination more than once in 30 months for each regional development commission alliance.*

Sec. 23. [SUCCESSOR STATUS.]

*Each area development alliance is the legal successor in all respects of each respective regional development commission established under Laws 1969, chapter 1122, and all resolutions, contracts, and liabilities of each regional development commission are the resolutions, contracts, and liabilities of each respective area development alliance as renamed and reconstituted under Minnesota Statutes, sections 462.381 to 462.398. Each region for which a regional development commission exists on January 1, 1989, is an area as defined in section 8.*

Sec. 24. [INSTRUCTION TO REVISOR.]

*The revisor of statutes is directed to change the phrase "regional development commission" wherever it appears in Minnesota Statutes to "area development alliance" in the next and subsequent editions of the statutes.*

Sec. 25. [INSTRUCTION TO REVISOR.]

*The revisor of statutes is directed to change the phrase "development region" wherever it appears in Minnesota Statutes to "alliance area" in the next and subsequent editions of the statutes.*

Sec. 26. [INSTRUCTION TO REVISOR.]

*The revisor of statutes is directed to change the phrase "regional development act" wherever it appears in Minnesota Statutes to "area development alliance act" in the next and subsequent editions of the statutes.*

Sec. 27. [APPROPRIATION; EQUALIZATION REVENUE.]

*\$ . . . . . is appropriated from the general fund to the commissioner of state planning for equalization revenue as provided under section 20.*

Sec. 28. [APPROPRIATION; LEGISLATIVE AUDITOR.]

*\$ . . . . . is appropriated from the general fund to the legislative auditor to conduct a separate program evaluation of each regional development commission existing on January 1, 1989.*

Sec. 29. [REPEALER.]

*Minnesota Statutes 1988, sections 462.371; 462.372; 462.373; 462.374; 462.375; 462.384, subdivisions 3, 4, 5, and 6; 462.385; 462.391; and 462.392, are repealed.*

Sec. 30. [EFFECTIVE DATE.]

*Sections 1 to 29 are effective July 1, 1989. For purposes of determining the limit on consecutive years of office for alliance members under Minnesota Statutes, section 462.388, subdivision 2, each current member's term of office will be calculated as beginning on July 1, 1989.*

ARTICLE 2  
CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1988, section 110B.08, subdivision 2, is amended to read:

Subd. 2. [COMMENTS TO COUNTY BOARD.] (a) A local unit of government must review the comprehensive water plan and existing water and related land resources plans or official controls and in its comments describe in a general way possible amendments to its existing plans or official controls, and an estimate of the fiscal or policy effects that would be associated with those amendments, to bring them into conformance with the comprehensive water plan.

(b) A county or watershed management organization within the same watershed unit or groundwater system must review comprehensive water plans received and describe in its comments possible conflicts with its existing or proposed comprehensive water plan and suggest measures to resolve the conflicts.

~~(c) The regional development commission shall review the plan under section 462.391, subdivision 1.~~

Sec. 2. Minnesota Statutes 1988, section 115A.03, subdivision 8, is

amended to read:

Subd. 8. "~~Development region~~ *Alliance area*" means a ~~region designated pursuant to sections 462.381 to 462.397~~ *an area established under section 462.387.*

Sec. 3. Minnesota Statutes 1988, section 115A.03, subdivision 26, is amended to read:

Subd. 26. "~~Regional Area development commission~~ *alliance*" means a ~~commission an alliance~~ established pursuant to sections 462.381 to 462.397 under section 462.387.

Sec. 4. Minnesota Statutes 1988, section 115A.09, subdivision 3, is amended to read:

Subd. 3. [PROCEDURES.] The board shall propose the inventory of areas by August 1, 1981 by publication in the state register and newspapers of general circulation in the state and by mail to each ~~regional area development commission~~ *alliance* or metropolitan council, and local government unit containing a proposed area. The publications and mailing shall include notice of hearings on the board's proposal. The hearings shall be conducted by the state office of administrative hearings in a manner determined by the administrative law judge to be consistent with the completion of the proceedings and the administrative law judge's report in the time allowed by this section. At the hearing, any local government unit in which an area is proposed for inclusion in the inventory may propose an alternative area or areas within its jurisdiction. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the board and additional information on the proposed area or alternative areas which is relevant to the board's decision on the areas to be included in the inventory. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The administrative law judge may consolidate hearings. The report of the administrative law judge shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. When any area in the inventory becomes unavailable as a hazardous waste facility site, the inventory shall be amended, in the manner of its original adoption, provided, however, that during the period when the inventory is being amended any other area in the inventory may be reviewed and approved under sections 115A.32 to 115A.39. No action of the board shall be held invalid by reason of the board's failure to notify any of the entities listed in this subdivision.

Sec. 5. Minnesota Statutes 1988, section 115A.21, subdivision 2, is amended to read:

Subd. 2. [SEARCH PROCEDURE.] The board shall consult with the agency and the private waste management industry in selecting candidate sites. Any sites proposed in applications for permits for stabilization and containment facilities being reviewed by the agency may be included by the board as candidate sites, provided the agency certifies the intrinsic suitability of the sites. The agency shall suspend its review of any permit application being reviewed by the board for inclusion as a candidate site until the site is eliminated from consideration as a candidate site.

As soon as practicable, the board through its chair shall publish a request soliciting proposals and permit applications for hazardous waste stabilization and containment facilities from potential developers and operators

of such facilities. Notice of the request shall be published in the State Register and newspapers of general circulation in the state and shall be transmitted to all ~~regional area development commissions~~ *alliances*, the metropolitan council, and all counties in the state. The board may select conceptual design and operating specifications for a variety of hazardous waste stabilization and containment facilities in sufficient detail and extent in the judgment of the board to assist the evaluation of sites and the selection of candidate sites. By November 1, 1980, the board through its chair shall notify each ~~regional area development commission~~ *alliance*, or the metropolitan council, and each local government unit within whose jurisdiction the board intends to search for candidate sites. The notification shall explain the selection of the jurisdiction as a search area; shall summarize any conceptual specifications and the evaluation factors, criteria, standards, and procedures the board intends to use in selecting candidate sites; and shall describe the relationship of the candidate site selection process to the other review procedures under sections 115A.18 to 115A.30 and the hazardous waste reports and plans required under sections 115A.04 to 115A.15. The notification shall request recommendations and suggestions from each such ~~commission~~ *alliance*, the metropolitan council, and local government unit on the criteria, standards, and procedures the board should use in selecting candidate sites within the time allowed. The board through its chair shall make a written response to any recommendations, explaining its disposition of the recommendations. No action of the board may be held invalid by reason of the board's failure to notify any of the entities listed in this subdivision.

Sec. 6. Minnesota Statutes 1988, section 115A.45, is amended to read:  
115A.45 [TECHNICAL ASSISTANCE.]

The board and metropolitan council shall provide for technical assistance to encourage and improve solid waste management and to assist political subdivisions in preparing the plans described in section 115A.46. The board and metropolitan council shall provide model plans for regional and local solid waste management. The board and metropolitan council may contract for the delivery of technical assistance by a ~~regional an area development commission~~ *alliance*, any state or federal agency, private consultants, or other persons. The board shall prepare and publish an inventory of sources of technical assistance for solid waste planning, including studies, publications, agencies, and persons available.

Sec. 7. Minnesota Statutes 1988, section 115A.52, is amended to read:  
115A.52 [TECHNICAL ASSISTANCE FOR PROJECTS.]

The board shall ensure the delivery of technical assistance for projects eligible under the program. The board may contract for the delivery of technical assistance by any state or federal agency, a ~~regional an area development commission~~ *alliance*, the metropolitan council, or private consultants and may use program funds to reimburse the agency, ~~commission~~ *alliance*, council, or consultants. The board shall prepare and publish an inventory of sources of technical assistance, including studies, publications, agencies, and persons available. The board shall ensure statewide benefit from projects assisted under the program by developing exchange and training programs for local officials and employees and by using the experience gained in projects to provide technical assistance and education for other solid waste management projects in the state.

Sec. 8. Minnesota Statutes 1988, section 115A.64, subdivision 3, is amended to read:

Subd. 3. [LOCAL REVIEW AND COMMENT.] At least 60 days before submitting the petition to the board, the petitioners shall publish notice of the petition in newspapers of general circulation in the proposed district and shall cause a copy of the petition to be served upon the agency, the governing body of each political subdivision which is wholly or partly within the proposed district or is affected by the proposed alteration and each ~~regional area development commission~~ *alliance* affected by the proposed district or alteration. Each entity receiving service shall have 60 days within which to comment to the petitioners on the petition and the proposed district or alteration. Proof of service, along with any comments received, shall be attached to the petition when it is submitted to the board.

Sec. 9. Minnesota Statutes 1988, section 116E.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP; TERMS.] A state environmental education board, designated as the environmental education board, is hereby created. Regional environmental education councils, subordinate to the environmental education board and designated as regional environmental education councils are hereby created to represent the regions of the state designated ~~by the in governor pursuant to Minnesota Statutes 1971, section 462.385 executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973.~~ The state board shall consist of three members appointed by the commissioner of natural resources and three members appointed by the commissioner of education, and one member from each of the regional councils. Each regional council shall elect one member to serve on the state board. Regional councils shall consist of 12 members, appointed by the chair of the state board with approval of the state board, with at least one person representing each of the following groups: (a) public school systems having grade levels kindergarten through 12, inclusive; (b) post-secondary educational institutions; (c) ~~regional economic area development commissions~~ *alliances*, where established; (d) voluntary organizations; (e) business, industry and agriculture; (f) labor organizations; and (g) elected local government officers. The term of a member of a regional council shall begin on July 1 and shall extend for a four-year term and until a successor is duly appointed and qualifies. A vacancy in the office of a member of any regional council shall be filled by the appointing authority, for the unexpired term.

The regional environmental education council corresponding to the metropolitan area ~~regional development commission~~ *region* as designated by ~~the governor pursuant to section 462.385 executive order 8, dated September 1, 1971,~~ shall consist of one member from each of the five task forces hereafter created and seven public members. One task force consisting of seven members shall be appointed by the chair of the state board with the approval of the board to represent each of the following five geographic areas: the city of Minneapolis; the remainder of Hennepin county; Carver, Scott and Dakota counties; Ramsey county; and Anoka and Washington counties. Each task force shall select one of its members to serve on the metropolitan regional environmental education council. Members of the task forces shall be compensated and shall have terms similar to those of the regional environmental education councils.

Sec. 10. Minnesota Statutes 1988, section 116E.03, subdivision 8, is

amended to read:

Subd. 8. [CONTRACTS.] The chief administrative officer of the state board may contract with persons, firms, corporations, organizations, units of government or institutions of higher learning for doing any of the work of the chief administrative officer, and none of the provisions of chapter 16, relating to bids, shall apply to such contracts. The regional councils may contract with the ~~regional area development commissions designated by the governor pursuant to Minnesota Statutes 1971, section 462.385~~ *alliances established under section 462.387*, to accomplish the purposes of sections 116E.01 to 116E.04. All personnel employed and all contracts entered into pursuant to this subdivision shall be subject to the approval of the state board. Agreements to exercise delegated powers shall be by written order filed with the secretary of state.

Sec. 11. Minnesota Statutes 1988, section 116G.03, subdivision 5, is amended to read:

Subd. 5. "~~Regional Area development commission alliance~~" means ~~any regional an area development commission created pursuant to sections 462.381 to 462.396~~ *alliance established under section 462.387* and the metropolitan council ~~created by~~ *established under* chapter 473.

Sec. 12. Minnesota Statutes 1988, section 116G.06, is amended to read:

116G.06 [DESIGNATION.]

Subdivision 1. (a) The board shall periodically study and assess the resources and development of the state and shall recommend to the governor those areas that should be designated as areas of critical concern in accordance with criteria established in section 116G.05. In its recommendations, the board shall specify the boundaries of the proposed area of critical concern, state the reasons why the particular area proposed is of critical concern to the state or region, the dangers that would result from uncontrolled or inappropriate development of the area and the advantages that would be achieved from the development of the area in a coordinated manner and shall recommend specific principles for guiding the development of the area.

(b) Each ~~regional area development commission alliance~~ may from time to time recommend to the board areas wholly or partially within its jurisdiction that meet the criteria for areas of critical concern as defined in section 116G.05. Each ~~regional area development commission alliance~~ shall solicit from the local units of government within its jurisdiction suggestions as to areas to be recommended. A local unit of government in an area where no ~~regional area development commission alliance~~ has been established may from time to time recommend to the board areas wholly or partially within its jurisdiction that meet the criteria for areas of critical concern as defined in section 116G.05. The board shall provide the ~~regional area development commission alliance~~ or local unit of government with a written statement of its decision and the reasons therefor.

(c) Prior to submitting any recommendations to the governor, under this subdivision, the board shall conduct a public hearing in the manner provided in chapter 14 on the proposed designation at a location convenient to those persons affected by such designation.

Subd. 2. (a) The governor may designate by written order all or part of

the recommended areas as areas of critical concern and specify the boundaries thereof and shall notify all local units of government in which any part or parts of a designated area or areas of critical concern are located.

(b) The order designating an area of critical concern shall (1) describe the boundaries of the area of critical concern, (2) indicate the reason that a particular area is of critical concern, (3) specify standards and guidelines to be followed in preparing and adopting plans and rules required in section 116G.07, and (4) indicate what development, if any, shall be permitted consistent with the policies of sections 116G.01 to 116G.14 pending the adoption of plans and rules.

(c) The order designating an area of critical concern shall be effective for no longer than three years pending approval by the legislature or by the ~~regional area development commission~~ *alliance*, where one exists, of each ~~development region~~ *alliance area* in which a part of the area of critical concern is located. After a ~~regional an area development commission~~ *alliance* has approved the designation of an area of critical concern, it shall not revoke or rescind its approval, except as necessary to update and re-evaluate plans and regulations under section 116G.10.

Sec. 13. Minnesota Statutes 1988, section 116G.07, is amended to read:

116G.07 [PREPARATION, REVIEW, AND APPROVAL OF PLANS AND REGULATIONS.]

Subdivision 1. (a) Within 30 days of receiving notification of the designation of an area or areas of critical concern within its jurisdiction, the local unit of government shall submit existing plans and regulations which deal with or affect the area or areas so designated to the appropriate ~~regional area development commission~~ *alliance* or to the board if no ~~regional area development commission~~ *alliance* has been established.

(b) If no plans or regulations exist, the local unit of government shall upon receiving notification of the designation of an area or areas of critical concern within its jurisdiction:

(1) Within six months of said notification prepare plans and regulations for the designated area or areas of critical concern and submit them to the appropriate ~~regional area development commission~~ *alliance* for review; or

(2) Within 30 days of said notification request that the appropriate ~~regional area development commission~~ *alliance* prepare plans and regulations for the area or areas of critical concern. Within six months of receipt of such request, the ~~regional area development commission~~ *alliance* shall prepare said plans and regulations and submit them to the board for review. If no ~~regional area development commission~~ *alliance* has been established, the local unit of government may request that the board prepare plans and rules for adoption by the local unit of government.

Subd. 2. Within 45 days of receiving plans and regulations from the local unit of government under the provisions of subdivision 1, the ~~regional area development commission~~ *alliance* shall review the plans and regulations to determine their consistency with regional objectives and the provisions of the order designating the areas of critical concern and transmit its recommendations, together with the plans and regulations, to the board.

Subd. 3. (a) Within 45 days of receiving plans and regulations from the local unit of government or a ~~regional an area development commission~~ *alliance*, the board shall review the plans and regulations to determine

their consistency with the provisions of the order designating the area, the recommendations of the ~~regional area development commission alliance~~, and the review comments of such state agencies as the board shall deem appropriate, and shall either approve the plans and regulations by written order or return them to the local unit of government or ~~regional area development commission alliance~~ for modification along with a written explanation of the need for modification.

(b) Plans and regulations which are returned to the local unit of government or ~~regional area development commission alliance~~ for modification shall be revised consistent with the instructions of the board and resubmitted to the board within 60 days of their receipt, provided that final revision need not be made until a formal meeting has been held with the board on the plans and regulations if requested by the local unit of government or ~~regional area development commission alliance~~.

(c) Plans or regulations prepared pursuant to this section shall become effective when enacted by the local unit of government or, following legislative or ~~regional area development commission alliance~~ approval of the designation, upon such date as the board may provide in its order approving said plans and regulations.

Sec. 14. Minnesota Statutes 1988, section 116G.08, is amended to read:  
116G.08 [EXCEPTIONS.]

(a) If, in the opinion of the board, the local unit of government is making a conscientious attempt to develop plans and regulations for the protection of a designated area or areas of critical concern within its jurisdiction, but the scope of the project is of a magnitude that precludes the completion, review, and adoption of the plans and regulations within the time limits established in section 116G.07, the board may grant an appropriate extension of time.

(b) If the board determines that a designated area or areas of critical concern is of a size and complexity that precludes the development of plans and regulations by a local unit of government or a ~~regional an area development commission alliance~~, or that the development of plans and regulations requires the assistance of the state, the board shall direct the appropriate state agency or agencies to assist the local unit of government and the ~~regional area development commission alliance~~ in preparing the plans and regulations in accordance with a time schedule established by the board.

Sec. 15. Minnesota Statutes 1988, section 116J.971, subdivision 2, is amended to read:

Subd. 2. [RURAL ~~REGION~~ AREA REPRESENTATION.] The department of trade and economic development shall divide the part of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the ~~development regions alliance areas~~ established under section ~~462.385~~ 462.387.

Sec. 16. Minnesota Statutes 1988, section 116N.08, subdivision 2, is amended to read:

Subd. 2. [FUNDING REGIONS.] The board shall divide the state outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the ~~development regions alliance areas~~ established under



section ~~462.385~~ 462.387. The board shall designate up to \$1,000,000 for each region, to be awarded over a period of three years. The money designated to each region must be used for revolving loans authorized in this section.

Sec. 17. Minnesota Statutes 1988, section 123.58, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) In furtherance of this policy, ten educational cooperative service units are designated. Each unit, should it become operational, shall be termed an educational cooperative service unit, hereafter designated as an ECSU. Geographical boundaries for each ECSU shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, ~~issued pursuant to the regional development act of 1969, Minnesota Statutes, sections 462.381 to 462.397,~~ with the following exceptions:

(i) Development regions one and two shall be combined to form a single ECSU;

(ii) Development regions six east and six west shall be combined to form a single ECSU;

(iii) Development regions seven east and seven west shall be combined to form a single ECSU.

The ECSU shall cooperate with the ~~regional area development commission alliance~~ *regional area development commission alliance* for the ~~region area~~ *regional area* with which its boundaries *most closely* coincide but shall not be responsible to nor governed by that ~~regional area development commission alliance~~ *regional area development commission alliance*.

(b) The geographic location of the central administrative office of a school district shall determine the membership of the total school district in a particular ECSU. Existing school district boundaries shall not be altered as a result of this section.

(c) Two or more identified ECSU units may, upon approval by a majority of school boards of participating school districts in each affected ECSU, be combined and administered as a single ECSU unit but state assistance shall be allocated on the basis of two or more ECSU units.

(d) The initial organization of each ECSU may occur only upon petition to the state board of education by a majority of all school districts in an ECSU. The state board of education shall, upon receipt of this petition, invite representation from all public school districts and shall encourage the participation of nonpublic school administrative units to the extent allowed by law in an ECSU at a regional meeting. The state board of education shall then assist in the necessary organizational activities for establishment of an ECSU pursuant to the requirements of this section.

Sec. 18. Minnesota Statutes 1988, section 134.34, subdivision 3, is amended to read:

Subd. 3. Regional library basic system support grants shall be made only to those regional public library systems officially designated by the state board of education as the appropriate agency to strengthen, improve and promote public library services in the participating areas. The state board of education shall designate no more than one such regional public

library system located entirely within any single development region ~~existing under sections 462.381 to 462.396 or chapter 473 as designated in governor executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973.~~

Sec. 19. Minnesota Statutes 1988, section 138.93, subdivision 1, is amended to read:

Subdivision 1. [STATE ASSISTANCE.] The state may pay part of the cost of construction of non-state-owned historical interpretive center projects. The state's share may not exceed 50 percent of the cost of any project. ~~In regions 3, 4, 9, 10, and 11, expenditures from appropriations by the 1977, 1978, and 1979 legislature shall be considered part of the state share of the project cost for the purposes of this section.~~ No more than ten percent of the state's share of future appropriations pursuant to this section may be used for professional services. Development regions are the regions designated ~~pursuant to section 462.385 in governor executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973.~~ There shall not be more than one state assisted project in each region.

Sec. 20. Minnesota Statutes 1988, section 145A.09, subdivision 6, is amended to read:

Subd. 6. [BOUNDARIES OF COMMUNITY HEALTH SERVICE AREAS.] The community health service area of a multicounty or multicity community health board must be within ~~a region designated an alliance area established under sections 462.381 to 462.398, unless this condition is waived by the commissioner with the approval of the regional area development commission alliance directly involved or the metropolitan council, if appropriate. In a region an area without a regional area development commission alliance, the commissioner of the state planning agency shall act in place of the regional area development commission alliance.~~

Sec. 21. Minnesota Statutes 1988, section 174.031, subdivision 1, is amended to read:

Subdivision 1. [STUDIES DIRECTED.] The commissioner of transportation shall establish and direct a series of highway jurisdiction studies at the regional and multicounty level. The studies must be so designed and conducted as to constitute a comprehensive review in each ~~development region, as designated under section 462.385 alliance area established under section 462.387, of the existing ownership of all roads and proposed changes in jurisdiction of those roads.~~

Sec. 22. Minnesota Statutes 1988, section 245.872, subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION OF FUNDS.] The commissioner shall allocate grant money appropriated for child care services among the 12 development regions designated by ~~the governor under section 462.385 executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973,~~ 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 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.

Sec. 23. Minnesota Statutes 1988, section 252.46, subdivision 4, is amended to read:

Subd. 4. [NEW VENDORS.] Payment rates established by a county for calendar years 1988 and 1989, for a new vendor for which there were no previous rates must not exceed 125 percent of the average payment rates in the ~~regional development commission district under sections 462.381 to 462.396~~ region, as designated in governor executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, in which the new vendor is located.

Sec. 24. Minnesota Statutes 1988, section 252.46, subdivision 8, is amended to read:

Subd. 8. [COMMISSIONER'S NOTICE TO BOARDS, VENDORS.] The commissioner shall notify the county boards and vendors of:

(1) the average regional payment rates and 125 percent of the average regional payments rates for each of the ~~regional development commission districts designated in sections 462.381 to 462.396~~ regions designated in governor executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973; and

(2) the projected inflation rate for the year in which the rates will be effective equal to the most recent projected change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year.

Sec. 25. Minnesota Statutes 1988, section 256E.08, subdivision 10, is amended to read:

Subd. 10. [INTERCOUNTY COOPERATION.] Two or more contiguous counties that are situated within the boundaries of the same ~~region designated~~ alliance area established pursuant to sections 462.381 to 462.396 or the metropolitan area as defined in section 473.121, subdivision 2, and that have not established a human services board may, by resolution of their respective county boards, agree to combine into one board for social service purposes to serve the counties that enter into the agreement. The joint board shall have the same powers, duties, and functions as the individual county boards. The term of the joint board, withdrawal from the joint board, composition of the board, and contribution to the expenses of the board shall be according to the terms of the agreement. Nothing in this section shall prevent a county board from purchasing services from an agency outside the boundaries of the ~~Minnesota economic development region~~ alliance area in which it is situated. A joint board established pursuant to this section may encompass completely two regions. Insofar as possible, social services which are jointly administered shall be equally accessible to all residents of the counties that are party to the agreement.

Sec. 26. Minnesota Statutes 1988, section 402.01, subdivision 1, is amended to read:

Subdivision 1. One or more contiguous counties situated within the

boundaries of the same ~~region designated~~ *alliance area established* pursuant to sections 462.381 to 462.396 or section 473.122, may, by resolution of their county boards of commissioners, designate a human services board having the composition, powers, and duties provided in sections 402.01 to 402.10.

Sec. 27. Minnesota Statutes 1988, section 462A.04, subdivision 1, is amended to read:

Subdivision 1. There is created a public body corporate and politic to be known as the "Minnesota housing finance agency," which shall perform the governmental functions and exercise the sovereign powers delegated to it in this chapter in furtherance of the public policies and purposes declared in section 462A.02. The agency shall consist of the commissioner of trade and economic development, state auditor, and five public members appointed by the governor with advice and consent of the senate. No more than two public members shall reside in the area of jurisdiction of the metropolitan council as provided in section 473.123, subdivision 1, and no more than one public member shall reside in any one of the ~~development regions~~ *alliance areas* established under the provisions of sections 462.381 to 462.396. Each member shall hold office until a successor has been appointed and has qualified. A certificate of appointment or reappointment of any member shall be conclusive evidence of the due and proper appointment of the member.

Sec. 28. [REPEALER.]

*Minnesota Statutes 1988, section 116K.11, is repealed."*

Delete the title and insert:

"A bill for an act relating to economic development; revising provisions governing regional development commissions; renaming regional development commissions; authorizing the establishment of area development alliances; appropriating money; amending Minnesota Statutes 1988, sections 110B.08, subdivision 2; 115A.03, subdivisions 8 and 26; 115A.09, subdivision 3; 115A.21, subdivision 2; 115A.45; 115A.52; 115A.64, subdivision 3; 116E.02, subdivision 1; 116E.03, subdivision 8; 116G.03, subdivision 5; 116G.06; 116G.07; 116G.08; 116J.971, subdivision 2; 116N.08, subdivision 2; 123.58, subdivision 2; 134.34, subdivision 3; 138.93, subdivision 1; 145A.09, subdivision 6; 174.031, subdivision 1; 245.872, subdivision 2; 252.46, subdivisions 4 and 8; 256E.08, subdivision 10; 402.01, subdivision 1; 462.381; 462.382; 462.383; 462.384, subdivisions 1, 2, 7, and by adding subdivisions; 462.386; 462.387; 462.388; 462.389; 462.39; 462.393; 462.394; 462.395; 462.396; 462.397; 462.398; and 462A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 462; repealing Minnesota Statutes 1988, sections 116K.11; 462.371; 462.372; 462.373; 462.374; 462.375; 462.384, subdivisions 3, 4, 5, and 6; 462.385; 462.391; and 462.392."

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. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 105: A bill for an act relating to appropriations; requiring recommendations of the legislative advisory commission to be made at a meeting of the commission except in certain circumstances; amending Minnesota Statutes 1988, section 3.30, subdivisions 1 and 2.

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

Page 3, line 6, after "item" insert "*except that a recommendation under section 298.2213, subdivision 4, or section 298.296, subdivision 1, need only be signed by a majority of the members entitled to vote on the item*"

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. 625: A bill for an act relating to economic development; establishing a toll free provider referral system for small businesses; amending Minnesota Statutes 1988, section 116J.68, 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  
DEPARTMENT OF TRADE AND  
ECONOMIC DEVELOPMENT PROGRAMS

Section 1. Minnesota Statutes 1988, section 116J.58, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATION.] The commissioner shall:

(1) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(10) cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(11) assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by the governor, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(12) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(13) confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring states, counties, and municipalities and the development of this state;

(14) generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise;

*(15) publish documents and convene annual regional meetings to inform businesses, local government units, assistance providers and other interested persons of changes in state and federal law related to economic development; and*

*(16) convene annual conferences of providers of economic development-related financial and technical assistance for the purposes of exchanging information on economic development assistance, coordinating economic*

*development activities, and formulating economic development strategies.*

Sec. 2. Minnesota Statutes 1988, section 116J.68, subdivision 2, is amended to read:

Subd. 2. The bureau shall:

(a) provide information and assistance with respect to all aspects of business planning and business management related to the start-up, operation, or expansion of a small business in Minnesota;

~~(b) refer persons interested in the start-up, operation, or expansion of a small business in Minnesota to assistance programs sponsored by federal agencies, state agencies, educational institutions, chambers of commerce, civic organizations, community development groups, private industry associations, and other organizations;~~

(c) plan, develop, and implement a master file of information on small business assistance programs of federal, state, and local governments, and other public and private organizations so as to provide comprehensive, timely information to the bureau's clients;

~~(d)~~ (c) employ staff with adequate and appropriate skills and education and training for the delivery of information and assistance;

~~(e)~~ (d) seek out and utilize, to the extent practicable, contributed expertise and services of federal, state, and local governments, educational institutions, and other public and private organizations;

(f) (e) maintain a close and continued relationship with the director of the procurement program within the department of administration so as to facilitate the department's duties and responsibilities under sections 16B.19 to 16B.22 relating to the small business set aside program of the state;

~~(g)~~ (f) develop an information system which will enable the commissioner and other state agencies to efficiently store, retrieve, analyze, and exchange data regarding small business development and growth in the state. All executive branch agencies of state government and the secretary of state shall to the extent practicable, assist the bureau in the development and implementation of the information system;

~~(h) establish and maintain a toll free telephone number so that all small business persons anywhere in the state can call the bureau office for assistance. An outreach program shall be established to make the existence of the bureau well known to its potential clientele throughout the state;~~

(i) (g) conduct research and provide data as required by state legislature;

(j) (h) develop and publish material on all aspects of the start-up, operation, or expansion of a small business in Minnesota;

~~(k)~~ (i) collect and disseminate information on state procurement opportunities, including information on the procurement process;

(l) (j) develop a public awareness program through the use of newsletters, personal contacts, and electronic and print news media advertising about state assistance programs for small businesses, including those programs specifically for socially disadvantaged small business persons;

~~(m)~~ (k) publicize to small businesses the provisions of Laws 1983, chapter 188 section 14.115, requiring the consideration of small business issues in state agency rulemaking; and

*(1) enter into agreements with the federal government and other public and private entities to serve as the statewide coordinator or host agency for the federal small business development center program under United States Code, title 15, section 648.*

Sec. 3. Minnesota Statutes 1988, section 116J.68, is amended by adding a subdivision to read:

*Subd. 3. [BUSINESS ASSISTANCE REFERRAL SYSTEM.] The bureau shall develop and administer a referral system for persons interested in the start-up, operation, or expansion of small business in Minnesota. In establishing the system, the bureau must perform the following functions:*

*(1) create and maintain a data base of technical and financial assistance providers or programs sponsored by federal agencies, state agencies, educational institutions, chambers of commerce, civic organizations, community development groups, local governments, private industry associations and other organizations and individuals that provide assistance;*

*(2) establish and maintain a toll-free telephone number operated by trained staff familiar with the referral system and data base;*

*(3) maintain a marketing and outreach program informing persons interested in starting, operating, or expanding a small business and assistance providers of the bureau and the business assistance referral system;*

*(4) establish an evaluation mechanism to determine if assistance providers have adequate expertise and resources to deliver quality services. Evaluation of assistance providers may be based on the ability of the provider to offer the advertised service, the training and experience of the provider, and the formal evaluation process used by the provider;*

*(5) assist providers in the evaluation of their programs and the assessment of their service area needs; and*

*(6) establish, where possible, regional data bases and referral systems.*

Sec. 4. [ECONOMIC DEVELOPMENT ASSISTANCE STUDY.]

*The commissioner of trade and economic development must study the current statewide system of providing economic development-related assistance services to businesses and individuals interested in starting a business. The study must address the following:*

*(1) the types of assistance services currently provided in the state;*

*(2) the agencies or other entities that provide the assistance services;*

*(3) whether there is duplication or an absence of assistance services in specific regions of the state;*

*(4) the mechanisms that are in place to evaluate the services and the service providers;*

*(5) the mechanisms that are in place to coordinate the provision of assistance services among providers;*

*(6) factors that might impede the adequate evaluation and coordination of services;*

*(7) the current strategies or policies that govern the overall economic development system in the state; and*

*(8) recommendations to improve the evaluation and coordination of*



*economic development-related assistance services in the state. The commissioner may request the assistance of other state agencies, local government units, and other entities involved in economic development in the state to prepare this study.*

*The commissioner must submit a report to the governor and legislature by January 15, 1990, that contains the results of the study and recommendations to improve the overall provision of economic development-related services in the state.*

**Sec. 5. [APPROPRIATION.]**

*\$250,000 is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of trade and economic development for the statewide coordination and host agency duties of the federal small business development center program under section 2.*

*\$ . . . . . is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of trade and economic development for the business assistance information system established in section 3.*

**ARTICLE 2  
CAPITAL ACCESS PROGRAM**

**Section 1. [116J.876] [DEFINITIONS.]**

*Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 1 to 11.*

*Subd. 2. [AGREEMENT.] "Agreement" means an agreement between a lender and the commissioner under which a lender may participate in the program.*

*Subd. 3. [BORROWER.] "Borrower" means the recipient of a loan enrolled under the program who meets the following requirements:*

*(a) the borrower is a corporation, partnership, joint venture, sole proprietorship, cooperative, or other entity, whether profit or nonprofit, which is authorized to conduct business in the state; and*

*(b) the borrower is not an executive officer, director, or principal shareholder of the lender, or a member of the immediate family of an executive officer, director or principal shareholder of the lender, or an entity controlled by an executive officer, director, principal shareholder or member of the immediately family.*

*Subd. 4. [CAPITAL ACCESS ACCOUNT; ACCOUNT.] "Capital access account" means the account created in section 11.*

*Subd. 5. [CLAIM.] "Claim" means any claim filed by the lender pursuant to section 7.*

*Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of trade and economic development.*

*Subd. 7. [EARLY LOAN.] "Early loan" means an enrolled loan where at the time of enrollment the amount of previously enrolled loans made by the lender under the program is less than \$5,000,000.*

*Subd. 8. [ELIGIBLE LOAN.] "Eligible loan" means a loan made by the lender to a borrower that meets the requirements of section 4.*

*Subd. 9. [ENROLLED LOAN.] "Enrolled loan" means a loan enrolled*

by the commissioner as provided in section 5.

*Subd. 10. [LENDER.] "Lender" means a financial institution as defined in section 13A.01, subdivision 2, that has entered into an agreement with the commissioner to participate in the program.*

*Subd. 11. [PASSIVE REAL ESTATE OWNERSHIP.] "Passive real estate ownership" means ownership of real estate for the purpose of deriving income from speculation, trade or rental, except that the term does not include (1) the ownership of that portion of real estate being used or intended to be used for the operation of the business of the owner of the real estate; or (2) ownership of real estate for the purpose of construction or renovation, until the completion of the construction or renovation phase.*

*Subd. 12. [PROGRAM.] "Program" means the capital access program.*

*Subd. 13. [RESERVE ACCOUNT.] "Reserve account" means the account maintained by the commissioner with the lender for funds accumulated as provided in the agreement with the commissioner to cover losses sustained by the lender on enrolled loans.*

**Sec. 2. [116J.8761] [CAPITAL ACCESS PROGRAM ADMINISTRATION.]**

*The capital access program must provide capital loans to businesses, particularly small and medium-sized businesses, to encourage economic development. Program loans must carry a higher degree of risk than conventional loans made by the lender. The commissioner shall administer the program and may enter into contracts and take action reasonably necessary to ensure compliance with the program. The lender shall provide the commissioner with information regarding its participation in the program. Upon notice to the lender, the commissioner may inspect the files of the lender relating to any loans enrolled under the program. A lender is eligible to participate in the program upon entering into an agreement with the commissioner governing the duties of the commissioner and the lender under the program.*

**Sec. 3. [116J.8762] [COMMISSIONER; DUTIES.]**

*Subdivision 1. [DUTIES.] The commissioner must:*

*(a) publicize the capital access program; and*

*(b) establish a reservation or allocation system so that lenders may reserve an allocation of funds in the account before or after the lender enters into a loan agreement or contract with a borrower.*

*Subd. 2. [INTERESTS OF COMMISSIONER.] Except upon the exercise of the commissioner's right of subrogation under section 8, the commissioner has no legal or equitable interest in any collateral, security, or other right of recovery in connection with any loan enrolled in the program, and the commissioner's consent is not necessary for any amendment to the lender's loan documents.*

**Sec. 4. [116J.8763] [ELIGIBLE LOANS.]**

*Subdivision 1. [LOAN TYPES.] Eligible loans may include:*

*(1) loans made for industrial, commercial or agricultural purposes;*

*(2) refinancing of loans made for the purposes outlined under clause (1); and*

(3) lines of credit agreements established between the lender and borrower which are used for the purposes outlined under clause (1).

*Subd. 2. [LOAN RESTRICTIONS.] Eligible loans must meet the following criteria:*

(1) the lender has not made the loan in order to enroll in the program prior debt which is not covered under the program and which is or was owed by the borrower to the lender;

(2) the proceeds of the loan will not be used for that portion of a project or development devoted to housing;

(3) the proceeds of the loan will not be used to finance passive real estate ownership; and

(4) the proceeds of the loan will be used to finance a project or enterprise located within this state which will encourage economic development in Minnesota.

*Subd. 3. [LOAN PROVISIONS.] An eligible loan may provide for an interest rate, fees, and other terms and conditions as the lender and borrower may agree. If the loan amount to be borrowed is determined by a commitment agreement that establishes a line of credit, the amount of the loan is the maximum amount available to the borrower as provided in the agreement.*

**Sec. 5. [116J.8764] [ENROLLMENT OF LOANS IN PROGRAM.]**

*Subdivision 1. [REQUIREMENTS.] To enroll a loan under this program, the lender must submit a completed loan enrollment form to the commissioner. The lender must also certify the following to the commissioner:*

(1) the borrower meets the requirements of section 1, subdivision 3;

(2) the lender has received from the borrower a written representation, warranty, pledge and waiver stating that borrower has no legal, beneficial or equitable interest in the nonrefundable premium charges or any other funds credited to the reserve fund established to cover losses sustained by the lender on enrolled loans;

(3) the loan being filed for enrollment is an eligible loan; and

(4) premium charges required of the borrower and lender have been deposited in the reserve account.

*The lender shall submit the loan enrollment form to the commissioner within ten business days after the lender makes the loan. The date on which the lender makes a loan is the date on which the lender first disburses proceeds of the loan to the borrower or an earlier date on which the loan documents have been executed and the lender has obligated itself to disburse proceeds of the loan. The date of submission of a loan enrollment form is the date on which the lender delivers the required documentation to the commissioner, delivers it to a professional courier service for delivery to the commissioner, or mails it to the commissioner by certified mail.*

*Subd. 2. [COMMISSIONER ENROLLMENT; ACKNOWLEDGMENT.] When the commissioner receives the loan enrollment form, the commissioner shall enroll the loan, unless the information provided under subdivision 1 indicates that the loan is not an eligible loan, and shall deliver to the lender within five business days of receipt an acknowledgment of*

*enrollment, signed by the commissioner or designee, including documentation of the amount being transferred by the commissioner into the reserve account.*

*Subd. 3. [AMOUNT COVERED.] When submitting a loan enrollment form, the lender may specify an amount to be covered under the program. The amount may be less than the total amount of the loan. Unless the context clearly requires otherwise, when used in connection with a loan or loans, the words "amount" and "proceeds" refer only to the amount covered under the agreement.*

*Subd. 4. [AMOUNT COVERED IN REFINANCINGS.] (a) In the case of a loan to refinance a loan previously made to the borrower by the lender that was not enrolled under the program, the lender may obtain coverage under the program for an amount not exceeding the amount of additional financing.*

*(b) If an enrolled loan is refinanced and the total amount to be covered under the program does not exceed the covered amount of the loan as previously enrolled, the refinanced loan may continue as an enrolled loan without payment of additional premium charges or transfers by the commissioner to the reserve account.*

*(c) If an enrolled loan is refinanced in an amount exceeding the amount of the loan as previously enrolled, the lender may obtain coverage of the amount of the refinanced loan that exceeds the amount covered when the loan was previously enrolled by refiling the loan for enrollment as provided in subdivision 1.*

*(d) Fluctuations in the outstanding balance of a line of credit, without increasing the enrolled amount under the program, is not a refinancing of the loan.*

*Subd. 5. [TERMINATION OF ENROLLMENT.] If the outstanding balance of an enrolled loan which is not a line of credit is reduced to zero, the loan is no longer an enrolled loan. If an enrolled loan which is a line of credit has an outstanding balance of zero for a 12-month period, the line of credit is no longer an enrolled loan, unless, before the expiration of the 12-month period, the lender reaffirms in writing to the borrower that the line of credit will remain open and the borrower acknowledges the reaffirmation in writing.*

## **Sec. 6. [116J.8765] [RESERVE ACCOUNT; PREMIUMS.]**

*Subdivision 1. [CREATION.] Upon execution of an agreement between the lender and the commissioner, the commissioner shall establish a reserve account at the lender in the name of the commissioner for the purpose of receiving all required premium charges to be paid by the lender and the borrower and transfers made by the commissioner.*

*Subd. 2. [PREMIUM PAYMENTS AND TRANSFERS TO RESERVE ACCOUNT.] The premium charges payable to the reserve account by the lender and the borrower in connection with a loan filed for enrollment are determined by the lender. The premium paid by the borrower may not be less than 1.5 percent nor greater than 3.5 percent of the amount of the loan. The premium paid by the lender must be equal to the amount of the premium paid by the borrower. When enrolling a loan, the commissioner shall transfer into the reserve account from the capital access account an amount equal to the combined premiums paid into the reserve account by*

*the borrower and the lender for each enrolled loan.*

*Subd. 3. [LIMITATION OF TRANSFERS.] A maximum premium amount of \$150,000 may be transferred into the reserve accounts of all lenders participating in the program by the commissioner over any three-year period in connection with any one borrower or any group of borrowers among which a common enterprise exists. This maximum premium amount may be exceeded upon the written request by a lender only if the commissioner approves in writing the transfer of an amount in excess of \$150,000. For the purpose of this paragraph the term "common enterprise" has the meaning given it in the Code of Federal Regulations, title 12, part 32, as amended through December 31, 1988.*

*Subd. 4. [CONTROL AND INVESTMENT OF RESERVE ACCOUNT.] (a) Money credited to the reserve account is under the exclusive control of the commissioner. The commissioner may not withdraw money from the reserve account except as provided in this subdivision and sections 7 and 9.*

*(b) Money in the capital access account must be deposited by the commissioner in an account at the lender, unless the commissioner determines that the lender is not in substantial compliance with the requirements of the agreement. If money in the capital access account is not deposited by the commissioner in an account at the lender, the money must be invested or reinvested by the commissioner in: (1) direct obligations of the United States or the state of Minnesota or in obligations the principal and interest of which are unconditionally guaranteed by the United States or the state of Minnesota, or (2) a deposit account at a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.*

*(c) Interest or income earned on the money credited to the reserve account is part of the reserve account. The commissioner may withdraw at any time from the reserve account 50 percent of all interest or income that has been credited to the reserve account. After the first withdrawal, the commissioner may not withdraw more than 50 percent of all interest or income that has been credited to the reserve account since the time of the last withdrawal. Any withdrawal made as provided in this subdivision may be made before paying a claim. None of the amounts withdrawn need to be transferred back to the reserve account. A withdrawal under this subdivision must be credited to the capital access account.*

*Subd. 5. [PLEDGE OF THE RESERVE ACCOUNT.] The commissioner shall pledge to the lender that: the money in the reserve account will be available to pay claims as provided in section 7; the lender will have a first security interest in the money in the reserve account to pay the claims; and the commissioner will not encumber or pledge the money to any other party.*

*Subd. 6. [QUARTERLY REPORTS; INSPECTIONS.] (a) If the reserve account is not maintained at the lender, the commissioner shall provide to the lender quarterly transaction reports indicating the balance in the reserve account, payments and transfers into the reserve account, withdrawals from the reserve account, and interest or income earned on money credited to the reserve account.*

*(b) The records of the commissioner with respect to all payments and transfers into the reserve account, withdrawals from the reserve account,*

*and interest or income earned on the money credited to the reserve account, are available to the lender.*

Sec. 7. [116J.8766] [CLAIMS BY LENDER TO RESERVE ACCOUNT.]

*Subdivision 1. [CLAIM PROCESS.] (a) If the lender charges off all or part of an enrolled loan, the lender may submit a claim to the commissioner. The claim must be submitted contemporaneously with the charge-off.*

*(b) The lender's claim may include the amount of principal charged off plus accrued interest. The amount of principal and accrued interest included in the claim may not exceed the principal amount covered under the program upon enrollment, plus accrued interest attributable to the covered principal amount.*

*(c) The lender shall determine when and how much to charge off on an enrolled loan in a manner consistent with its normal method for making these determinations on similar loans which are not enrolled loans.*

*(d) If the lender submits two or more claims contemporaneously and there are insufficient funds in its reserve account at that time to cover the entire amount of the claims, the lender may designate the order of priority in which the commissioner shall pay the claims.*

*Subd. 2. [DISBURSEMENT OF RESERVE ACCOUNT.] (a) Upon receipt by the commissioner of a claim submitted by the lender, the commissioner shall, within ten business days, pay or authorize the lender to withdraw from the reserve account the amount of the claim as submitted, unless the information provided by the lender was known by the lender to be false at the time the loan was submitted for enrollment.*

*(b) If there is insufficient money in the reserve account to cover the entire amount of the lender's claim, the commissioner shall pay to the lender or authorize the lender to withdraw an amount equal to the current balance in the reserve account and the following applies:*

*(1) If the enrolled loan for which the claim has been submitted is not an early loan, the payment fully satisfies the claim, and the lender has no right to receive any further amount from the reserve account with respect to that claim.*

*(2) If the loan is an early loan, the partial payment does not satisfy the lender's claim, and, at any time that the remaining balance of the claim is not greater than 75 percent of the balance in the reserve account at the time of the loss, the commissioner, upon request of the lender, shall pay the remaining balance of the claim when sufficient money is available in the reserve account.*

*Subd. 3. [RECOVERY BY LENDER SUBSEQUENT TO CLAIM.] If the lender recovers from a borrower any amount for which payment of a claim is made, the lender shall promptly pay to the commissioner for deposit in the reserve account the amount recovered. The lender need pay to the commissioner for deposit in the reserve account only amounts in excess of the amount of recovery needed to cover the lender's loss on an enrolled loan.*

*For the purposes of this subdivision and section 8, the lender's loss on an enrolled loan includes principal and accrued interest.*

Sec. 8. [116J.8767] [SUBROGATION OF CLAIMS.]

*Subdivision 1. [LIMITATION.] The commissioner may exercise the right of subrogation under this section if the commissioner determines that the lender has not exercised reasonable care and diligence in its collection activities with respect to the loan or that there is a reasonable basis for believing that the lender will not exercise reasonable care and diligence in the future with respect to the collection activities.*

*Subd. 2. [ASSIGNMENT OF RIGHTS.] If the payment of a claim has fully covered the lender's loss on an enrolled loan, or if the payment of a claim when combined with any recovery from the borrower has fully covered the lender's loss, the commissioner, upon request, is subrogated to the rights of the lender with respect to any collateral, security or other right of recovery in connection with the loan that has not been realized by the lender. The lender thereafter shall assign to the commissioner any right, title, or interest to any collateral, security, or other right of recovery in connection with the loan.*

*Subd. 3. [LENDER OBLIGATIONS.] If an assignment has been made, the commissioner is not required to undertake any obligations of the lender as provided in its loan documents, except for any obligations directly related to the commissioner's assigned rights of recovery in connection with the loan. The lender shall fulfill any other obligations it may have under the loan documents in the same manner and to the same degree as required had the assignment not been made. The lender shall provide the commissioner with all reasonable assistance the commissioner requests in proceeding with respect to any collateral, security, or other right of recovery.*

*Subd. 4. [PAYMENT OF LENDER'S LOSS.] The commissioner may exercise the right of subrogation in connection with an enrolled loan if the lender's loss has not been fully covered and the commissioner pays money from the reserve account in an amount sufficient to fully cover the lender's loss. Upon making the payment, the commissioner is subrogated to the rights of the lender.*

*Subd. 5. [RECOVERED FUNDS.] Money received by the commissioner as a result of enforcement actions taken with respect to any collateral, security, or other rights of recovery must be promptly deposited by the commissioner in the reserve account, less any out-of-pocket expenses incurred by the commissioner in taking enforcement actions.*

#### Sec. 9. [116J.8768] [EXCESS RESERVE AMOUNTS.]

*Subdivision 1. [REPORTS.] The lender shall submit quarterly reports with the commissioner indicating the number and aggregate outstanding balance of all enrolled loans as of the end of each quarter. A quarterly report is not required for any quarter that ends with a balance in the reserve account of zero, except that a calendar year-end report must be submitted. In computing the aggregate outstanding balance of all enrolled loans, the balance of any loan may not be greater than the covered amount of the loan as enrolled.*

*Subd. 2. [WITHDRAWAL OF EXCESS RESERVE AMOUNTS.] (a) If reports required under this section indicate that for the immediately preceding 24-month period the balance in the reserve account continually exceeded the aggregate outstanding balance of all enrolled loans, the commissioner may withdraw from the reserve account, on or before the last day of the month for which a report is due, an amount not greater*

*than the amount by which the reserve account balance exceeded the aggregate outstanding balance of all enrolled loans as of the most recent report. Amounts withdrawn from the reserve account must be transferred to the capital access account.*

*(b) If a report is not submitted within 30 days of its original due date, the commissioner may withdraw from the reserve account based on the commissioner's determination from an inspection of the lender's files an amount not greater than the amount by which the reserve account balance exceeded the aggregate outstanding balance of all enrolled loans as of the date for which the report was required to be submitted.*

Sec. 10. [116J.8769] [TERMINATION.]

*The commissioner may terminate the obligation to a lender to enroll loans under the program if the commissioner determines that the lender is not in substantial compliance with the requirements of the program. The termination takes effect on the date specified in the notice of termination, except that the termination does not apply to any loan made on or before the date on which the notice of termination is received by the lender. If the commissioner is terminating the enrollment of loans for all participating lenders under the program, the commissioner shall provide notice of at least 90 days to the lender. After termination, the amount covered under the program may not be increased beyond the covered amount as previously enrolled.*

Sec. 11. [116J.877] [CAPITAL ACCESS ACCOUNT.]

*A capital access account is created in the general fund. The account consists of all appropriations to the account, repayments from the reserve accounts, interest and investment earnings of the reserve accounts, gifts and grants to the capital access account, and the interest and investment earnings of the capital access account. Section 16A.28 does not apply to the capital access account.*

Sec. 12. [APPROPRIATION.]

*\$2,000,000 is appropriated from the general fund to the capital access account for the capital access program."*

Delete the title and insert:

*"A bill for an act relating to economic development; establishing a referral system for small businesses, coordinating, and marketing technical assistance in the state; establishing the capital access program; appropriating money; amending Minnesota Statutes 1988, sections 116J.58, subdivision 1; and 116J.68, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116J."*

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. 983: 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.

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. 970: A bill for an act relating to wild animals; removing authority to offer a bounty on rattlesnakes; amending Minnesota Statutes 1988, sections 348.12 and 348.13.

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. 564: A bill for an act relating to natural resources; increasing the amount of levy for the Kanaranzi-Little Rock watershed district administrative fund.

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

Page 1, line 10, delete everything after "exceed" and insert "*a gross tax capacity rate of 1.64 percent for taxes levied in 1988 or a net tax capacity rate of 2.04 percent for taxes levied in 1989 and thereafter on*"

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. 598: A bill for an act relating to natural resources; changing certain provisions relating to the acquisition, disposition, and exchange of state lands; amending Minnesota Statutes 1988, sections 84.0272; 84.0274, by adding a subdivision; 94.09, subdivision 2; and 94.342, subdivision 3.

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

Page 2, line 8, delete everything after "ACQUISITIONS.]"

Page 2, delete lines 9 and 10 and insert "*When the commissioner of natural resources acquires abandoned railroad right-of-way from a railroad, railroad holding company, or similar entity, any or all of the provisions of this section may be waived by mutual agreement of the commissioner and the landowner.*

Sec. 3. Minnesota Statutes 1988, section 92.19, is amended to read:

92.19 [ASSIGNMENT; EXTENSIONS OF PAYMENT.]

When a certificate or partial interest in a certificate is assigned, the assignment must be ~~executed like a deed of land and acknowledged made by deed or instrument of assignment of an equitable interest of record, executed by the assignor, and consented to by the commissioner.~~ An assignment of a partial interest shall recite that payment in full has been made to the commissioner.

*When the assignee satisfies the terms of the assignment and corresponding terms of the certificate, the commissioner shall issue a deed or patent*

to the assignee. When an extension of time of payment is agreed upon, the agreement must be in writing, executed like a deed, and recorded in the office of the commissioner."

Page 2, line 13, before "On" insert "(a)"

Page 2, line 23, before "If" insert:

"(b)"

Page 2, line 26, delete ", including" and insert a period

Page 2, delete lines 27 to 29

Page 3, after line 25, insert:

"Sec. 6. Minnesota Statutes 1988, 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 school trust land to be offered for sale 84.0272~~; 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. 7. Minnesota Statutes 1988, section 94.344, subdivision 3, is amended to read:

Subd. 3. Except as otherwise provided, Class B land may be exchanged only for land of 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~~ Class A land. For all other purposes, the county board shall appraise the state land and the land in the proposed exchange in 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."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon, insert "92.19;" and delete "and"

Page 1, line 7, before the period, insert "; 94.343, subdivision 3; and 94.344, 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. 1085: A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97C.605, subdivision 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

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 1988, section 97C.605, subdivision 2, is amended to read:

Subd. 2. [SALES LICENSE.] A person may not take, *possess*, transport, or purchase unprocessed turtles for sale without a turtle seller's license. ~~A person with a turtle seller's license may take turtles for sale as prescribed by the commissioner.~~

Sec. 2. Minnesota Statutes 1988, section 97C.605, subdivision 3, is amended to read:

Subd. 3. [TAKING; METHODS PROHIBITED.] (a) *Except as allowed in paragraph (b)*, a person may take turtles in any manner, except by use of:

(1) explosives, drugs, poisons, lime, and other harmful substances; ~~or by the use of;~~

(2) turtle hooks or traps; or

(3) nets other than *anglers' fish landing nets*.

(b) *A person with a turtle seller's license may take turtles for sale as prescribed by the commissioner.*

Sec. 3. Minnesota Statutes 1988, section 97C.611, is amended to read:  
97C.611 [SNAPPING TURTLES; LIMITS.]

A person may not possess more than ~~ten~~ *three* snapping turtles of the species *Chelydra serpentina* *without a turtle seller's license*. ~~The size of the turtles must have a dorsal surface of the shell that measures at least ten inches long.~~ *A person may not take snapping turtles of a size less than ten inches wide including the curvature, measured from side to side across the shell at the midpoint.*

Sec. 4. [REPEALER.]

*Minnesota Statutes 1988, section 97C.615, is repealed."*

Amend the title as follows:

Page 1, line 4, delete "subdivision" and insert "subdivisions 2 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. 470: A bill for an act relating to environment; regulating municipal wastewater treatment funding; amending Minnesota Statutes 1988, sections 116.18, subdivisions 3a and 3b; 446A.02, subdivision 4; and 446A.07, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 115.

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

Delete everything after the enacting clause and insert:

“Section 1. [115.55] [CAPITAL REPLACEMENT FUND.]

*Subdivision 1. [FUND REQUIREMENT.] (a) Each wastewater treatment facility permittee shall annually set aside from user fees or another source a minimum of five cents per 1,000 gallons of wastewater flow through the facility to be deposited in a dedicated fund administered by the permittee for future capital improvements or replacement of the facility.*

*(b) For purposes of this section, “permittee” means a statutory or home rule charter city, sanitary district, or other political subdivision or public corporation that has been issued a permit as required under Minnesota Rules, part 7001.0030.*

*Subd. 2. [FEE COLLECTION.] (a) If a political subdivision that receives wastewater treatment services from a permittee ceases to receive the services, the permittee maintaining the fund shall refund any available funds with applicable interest in proportion to the receiving political subdivision's contribution.*

*(b) If a private vendor is a joint permittee with a public entity, the public entity is responsible for collection of the fees.*

*Subd. 3. [CAPITAL IMPROVEMENTS.] Capital improvements include major components and structural additions that have a design life of more than 20 years. The need for capital improvements may result from a change in water quality standards, a need for increased capacity, or a failure of the facility or parts of the facility to provide adequate treatment. This fund shall not be used for the annual operation, maintenance, or replacement of equipment, accessories, parts, and appurtenances necessary to maintain the capacity and performance for which the existing treatment facility was designed and constructed, which ordinarily would be included in the facility's replacement schedule. Failure of a permittee to annually set aside the specified funds may constitute grounds for the state to deny financial assistance under chapters 116 and 446A.*

*Subd. 4. [REPORTING REQUIREMENTS.] A permittee that does not submit an annual financial report to the state auditor must submit an annual report on the fund to the public facilities authority.*

*Subd. 5. [EXEMPTION.] (a) A permittee may apply to the public facilities authority for an exemption from subdivision 1. The public facilities authority may grant an exemption upon a showing by the permittee that there are adequate municipal financial resources or bond reserve capacity*

for future capital improvements or replacement of the facility.

(b) *The metropolitan waste control commission is not subject to this section.*

Sec. 2. Minnesota Statutes 1988, section 116.18, subdivision 3a, is amended to read:

Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.] (a) *The public facilities authority must adopt the objective of maintaining financial assistance to municipalities that the agency has listed on its annual municipal project list of approximately 50 percent of the eligible cost of construction for municipalities with populations over 25,000 and 80 percent of the eligible cost for municipalities with populations of 25,000 or less. Financial assistance may be provided by the public facilities authority through a combination of low interest loans under the state revolving fund under chapter 446A, independent state grants, and other financial assistance available to the municipality. The public facilities authority shall determine the appropriate combination of grants and loans. The Minnesota public facilities authority may award independent grants for projects certified by the state pollution control commissioner for 50 up to 35 percent or, if the population of the municipality is 25,000 or less, 80 up to 65 percent of the eligible cost of construction. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, Not more than 20 percent \$2,000,000 of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.*

(b) *Up to ten percent \$1,000,000 of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the authority at the beginning of each fiscal year, and the authority shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside shall be used by the authority to award grants to remaining municipalities that have been identified.*

(c) *Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year at the grant percentage determined in paragraph (a).*

(d) *A municipality that applies for a state independent grant to be reimbursed for a project must receive an additional five percent of the total eligible cost of construction beyond the normal percentage to which the municipality is entitled under paragraph (a). Municipalities that entered into an intent to award agreement with the agency under paragraph (c), in the state fiscal years 1985 to 1988, will be reimbursed at 55 percent or, if the population of the municipality is 25,000 or less, 85 percent of the eligible cost of construction.*

Sec. 3. Minnesota Statutes 1988, section 116.18, subdivision 3b, is amended to read:

Subd. 3b. [CAPITAL COST COMPONENT GRANT.] (a) *The definitions of "capital cost component," "capital cost component grant," "service fee,"*

“service contract,” and “private vendor” in section 471A.02 apply to this subdivision.

(b) Beginning in fiscal year 1989, up to \$1,500,000 of the money to be awarded as grants under subdivision 3a in any single fiscal year may be set aside for the award of capital cost component grants to municipalities on the municipal needs list for part of the capital cost component of the service fee under a service contract for a term of at least 20 years with a private vendor for the purpose of constructing and operating wastewater treatment facilities.

(c) The amount granted to a municipality shall be 50 percent of the average total eligible costs of municipalities of similar size recently awarded state and federal grants under the provisions of subdivisions 2a and 3a and the Federal Water Pollution Control Act, United States Code, title 33, sections 1281 to ~~1289~~ 1299. Federal and state eligibility requirements for determining the amount of grant dollars to be awarded to a municipality are not applicable to municipalities awarded capital cost component grants. Federal and state eligibility requirements for determining which cities qualify for state and federal grants are applicable, except as provided in this subdivision.

(d) Except as provided in this subdivision, municipalities receiving capital cost component grants shall not be required to comply with federal and state regulations regarding facilities planning and procurement contained in sections 116.16 to 116.18, except those necessary to issue a National Pollutant Discharge Elimination System permit or state disposal system permit and those necessary to assure that the proposed facilities are reasonably capable of meeting the conditions of the permit over 20 years. The municipality and the private vendor shall be parties to the permit. Municipalities receiving capital cost component grants may also be exempted by rules of the agency from other state and federal regulations relating to the award of state and federal grants for wastewater treatment facilities, except those necessary to protect the state from fraud or misuse of state funds.

(e) Funds shall be distributed from the set-aside to municipalities that apply for the funds in accordance with these provisions in the order of their ranking on the municipal needs list.

(f) The authority shall award capital cost component grants to municipalities selected by the state pollution control commissioner upon certification by the state pollution control commissioner that the municipalities' projects and applications have been reviewed and approved in accordance with this subdivision and agency rules adopted under paragraph (g).

(g) The agency shall adopt permanent rules to provide for the administration of grants awarded under this subdivision.

(h) The commissioner of trade and economic development may adopt rules containing procedures for administration of the authority's duties as set forth in paragraph (f).

Sec. 4. Minnesota Statutes 1988, section 446A.02, subdivision 4, is amended to read:

Subd. 4. [FEDERAL WATER POLLUTION CONTROL ACT.] “Federal Water Pollution Control Act” means the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections ~~1281 to 1299~~ 1251 *et seq.*

Sec. 5. Minnesota Statutes 1988, section 446A.07, subdivision 8, is amended to read:

Subd. 8. [OTHER USES OF REVOLVING FUND.] The water pollution control revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

(1) to buy or refinance the debt obligation of governmental units for treatment works *where debt was incurred and construction begun* after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees for similar revolving funds established by a governmental unit other than state agencies;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act.

Amounts spent under clause (6) may not exceed the amount allowed under the Federal Water Pollution Control Act. ~~Five percent of the revolving loan fund repayments may be used by the agency and~~ The authority may assess a service fee of up to five percent of revolving loan fund repayments for use by the agency and the authority for the purposes listed in clause (6).

Sec. 6. Minnesota Statutes 1988, section 446A.12, is amended by adding a subdivision to read:

*Subd. 5. [EXEMPTION.] The notes and bonds of the authority are not subject to section 16B.06.*

Sec. 7. [EFFECTIVE DATE.]

*Section 1 is effective January 1, 1991."*

Delete the title and insert:

"A bill for an act relating to environment; regulating municipal wastewater treatment funding; amending Minnesota Statutes 1988, sections 116.18, subdivisions 3a and 3b; 446A.02, subdivision 4; 446A.07, subdivision 8; and 446A.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115."

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. 84: A bill for an act relating to watercraft; providing for titling and licensing of watercraft; providing procedures for notification of liens

on watercraft; providing for enforcement of liens on watercraft; amending Minnesota Statutes 1988, sections 336.9-402; and 336.9-411; proposing coding for new law as Minnesota Statutes, chapter 361A; repealing Minnesota Statutes 1988, sections 361.03; and 579.01 to 579.08.

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 1988, section 336.9-302, is amended to read:

**336.9-302 [WHEN FILING IS REQUIRED TO PERFECT SECURITY INTEREST; SECURITY INTERESTS TO WHICH FILING PROVISIONS OF THIS ARTICLE DO NOT APPLY.]**

(1) A financing statement must be filed to perfect all security interest except the following:

(a) A security interest in collateral in possession of the secured party under section 336.9-305;

(b) A security interest temporarily perfected in instruments or documents without delivery under section 336.9-304 or in proceeds for a 20 day period under section 336.9-306;

(c) A security interest created by an assignment of a beneficial interest in a trust or a decedent's estate;

(d) A purchase money security interest in consumer goods; but filing is required for a motor vehicle required to be registered; and fixture filing is required for priority over conflicting interests in fixtures to the extent provided in section 336.9-313;

(e) An assignment of accounts which does not alone or in conjunction with other assignments to the same assignee transfer a significant part of the outstanding accounts of the assignor;

(f) A security interest of a collecting bank (section 336.4-208) or in securities (section 336.8-321) or arising under the article on sales (see section 336.9-113) or covered in subsection (3) of this section;

(g) An assignment for the benefit of all the creditors of the transferor, and subsequent transfers by the assignee thereunder.

(2) If a secured party assigns a perfected security interest, no filing under this article is required in order to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

(3) The filing of a financing statement otherwise required by this article is not necessary or effective to perfect a security interest in property subject to the following statutes or treaties; except that to the extent such statutes or treaties are silent on a specific matter, the provisions of this article shall govern:

(a) a statute or treaty of the United States which provides for a national or international registration or a national or international certificate of title or which specifies a place of filing different from that specified in this article for filing of the security interest; or

(b) the following statutes of this state;



(i) Sections 168A.01 to 168A.31 and sections 2 to 22; but during any period in which collateral is inventory held for sale by a person who is in the business of selling goods of that kind, the filing provisions of this article (part 4) apply to a security interest in that collateral created by the person as a debtor; or

(ii) Sections 300.11 to 300.115.

(c) a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate is required as a condition of perfection (subsection (2) of section 336.9-103).

(4) Compliance with a statute or treaty described in subsection (3) is equivalent to the filing of a financing statement under this article, and a security interest in property subject to the statute or treaty can be perfected only by compliance therewith except as provided in section 336.9-103 on multiple state transactions. A security interest perfected by compliance with such a statute or treaty is governed by this article in all respects not inconsistent with the provisions of the statute or treaty under which it was perfected, provided that this article shall not be deemed inconsistent if it provides for a more extensive duration of effectiveness.

## CHAPTER 361A

### WATERCRAFT TITLING

#### Sec. 2. [361A.01] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.*

*Subd. 3. [DEALER.] "Dealer" means a person who: (1) is in the business of manufacturing, distributing, selling, or purchasing new or used watercraft; (2) has an established place of business for the sale, trade, and display of watercraft; and (3) possesses watercraft for the purpose of sale or trade.*

*Subd. 4. [DEPARTMENT.] "Department" means the department of natural resources.*

*Subd. 5. [DEPUTY REGISTRAR.] "Deputy registrar" means a person appointed or hired by the commissioner of public safety under section 168.33.*

*Subd. 6. [MANUFACTURER.] "Manufacturer" means a person engaged in the business of constructing or assembling watercraft required to have a certificate of title.*

*Subd. 7. [MANUFACTURER'S OR IMPORTER'S CERTIFICATE OF ORIGIN.] "Manufacturer's or importer's certificate of origin" means a certificate with the authorized signature of the manufacturer or importer of a watercraft, describing and identifying the watercraft, giving the name and address of the person to whom the watercraft is first sold by the manufacturer or importer, and containing executed assignments of the watercraft to an applicant for a certificate of title on the watercraft in this state.*

*Subd. 8. [OWNER.] "Owner" means a person, other than a secured party, having the title to a watercraft. "Owner" includes a person entitled*

*to use or possess the watercraft, subject to a security interest in another person, reserved or created by agreement and securing payment of performance of an obligation, but "owner" does not include a lessee under a lease not intended as security.*

*. Subd. 9. [PERSON.] "Person" means an individual, firm, partnership, association, corporation, or governmental organization.*

*Subd. 10. [SECURED PARTY.] "Secured party" means a secured party as defined in section 336.9-105, subsection (1)(m), having a security interest in a watercraft and includes a lienholder.*

*Subd. 11. [SECURITY AGREEMENT.] "Security agreement" has the meaning given it in section 336.9-105, subsection (1)(l).*

*Subd. 12. [SECURITY INTEREST.] "Security interest" has the meaning given it in section 336.1-201, subsection (37), and includes statutory liens for which lien statements are filed.*

*Subd. 13. [TITLED WATERCRAFT.] "Titled watercraft" means a watercraft required to have a certificate of title under section 3, subdivision 1, or for which a certificate of title has been issued under section 3, subdivision 3.*

*Subd. 14. [WATERCRAFT.] "Watercraft" means a device used or designed for navigation on water that is greater than 14 feet in length, as defined in section 361.02, subdivision 14, but does not include:*

*(1) a row-type fishing boat of single hull construction, with oar locks and an outboard motor capacity rating of 40 horsepower or less;*

*(2) a canoe;*

*(3) a ship's lifeboat;*

*(4) a vessel of at least five net tons measured in Code of Federal Regulations, title 46, part 69, that is documented under Code of Federal Regulations, title 46, subpart 67.01; or*

*(5) a seaplane.*

*Subd. 15. [WATERS OF THIS STATE.] "Waters of this state" means waters capable of substantial public use and waters to which the public has access, that are within the territorial limits of this state, including boundary waters.*

**Sec. 3. [361A.02] [CERTIFICATE OF TITLE REQUIRED.]**

*Subdivision 1. [REQUIREMENT.] Except as provided in subdivision 2, a watercraft used on the waters of the state must have a certificate of title if:*

*(1) the watercraft is owned by a resident of this state and is kept in the state for more than 90 consecutive days; or*

*(2) the watercraft is kept in the state for more than 60 consecutive days and has not been issued a certificate of title or similar document from another jurisdiction.*

*Subd. 2. [EXEMPT WATERCRAFT.] A watercraft is not required to have a certificate of title if the watercraft is:*

*(1) owned by a manufacturer or dealer and held for sale;*

(2) used by a manufacturer solely for testing;

(3) owned by the United States, a state, this state, or political subdivision;  
or

(4) watercraft manufactured prior to August 1, 1979.

*Subd. 3. [VOLUNTARY TITLING.] The owner of a device used or designed for navigation on water and used on the waters of this state may obtain a certificate of title for the device, even though it is not a watercraft as defined in section 2, subdivision 14, in the same manner and with the same effect as the owner of a watercraft required to be titled under this act. Once titled, the device is a titled watercraft as defined in section 2, subdivision 13, and is and remains subject to this act to the same extent as a watercraft required to be titled.*

*Subd. 4. [TITLE REQUIRED FOR TRANSFER.] A person may not sell or otherwise transfer a titled watercraft without delivering to the person acquiring the watercraft a certificate of title with an assignment on it to show title in the person acquiring the watercraft. A person may not acquire a watercraft required to have a certificate of title without obtaining a certificate of title for the watercraft in the person's name.*

*Subd. 5. [NO LEGAL TITLE WITHOUT CERTIFICATE.] A person acquiring a watercraft through a sale or gift does not acquire a right, title, claim, or interest in the watercraft until the person has been issued a certificate of title to the watercraft or has received a manufacturer's or importer's certificate. A waiver or estoppel does not operate in favor of that person against another person who has obtained possession of the certificate of title or manufacturer's or importer's certificate for the watercraft for valuable consideration.*

*Subd. 6. [WATERCRAFT LICENSE MAY NOT BE ISSUED WITHOUT TITLE.] The commissioner may not issue or renew a watercraft license to an owner of a titled watercraft unless the owner has been issued or has applied for a certificate of title for the watercraft.*

**Sec. 4. [361A.03] [APPLICATION AND ISSUANCE OF CERTIFICATE OF TITLE.]**

*Subdivision 1. [APPLICATION.] The owner of a titled watercraft must apply for the first certificate of title of a watercraft in this state to the commissioner or a deputy registrar on a form prescribed by the commissioner. The appropriate fee under section 12 must accompany the application. The application must be signed by the owner and contain:*

(1) the full names, dates of birth, and addresses of owners who are natural persons and the full names and addresses of other owners;

(2) a description of the watercraft including its make, model, year, length, the principal material used in construction, the builder's hull identification number, and the manufacturer's inboard engine serial number;

(3) the date of purchase by the applicant, the name and address of the person from whom the watercraft was acquired;

(4) the name and address of the person who is to possess the title and any conditions of possession; and

(5) other information required by the commissioner to determine whether the owner is entitled to a certificate of title and whether security interests

*exist in the watercraft.*

*Subd. 2. [ISSUANCE.] (a) The commissioner shall issue a certificate of title for a watercraft upon verification that:*

- (1) the application is genuine;*
- (2) the applicant is the owner of the watercraft; and*
- (3) payment of the required fee.*

*(b) The original certificate of title must be mailed to the first secured party disclosed in the application or, if none, to the owner named in the application.*

*Subd. 3. [CONTENTS.] (a) A certificate of title issued by the commissioner must contain:*

- (1) the date issued;*
- (2) the full names, dates of birth, and addresses of owners who are natural persons and the full names and addresses of other owners;*
- (3) the names and addresses of secured parties;*
- (4) the title number assigned to the watercraft;*
- (5) a description of the watercraft including its make, model, year of manufacture, length, principal material used in construction, registration number, and manufacturer's hull identification number or, if none, the builder's hull identification number assigned to the watercraft by the commissioner;*

*(6) spaces for assignment of title by the owner or by the dealer and for warranting that the signer is the owner and that the watercraft is not subject to security interests, liens, or encumbrances except as noted on the face of the certificate of title;*

*(7) spaces on the certificate for application of title by a new owner subject to the security interests of secured parties named and for the assignment or release of the security interest of a secured party; and*

*(8) other information the commissioner may require.*

*(b) A certificate of title issued by the commissioner is prima facie evidence of the facts appearing on it.*

*Subd. 4. [ISSUANCE WITHOUT ABSOLUTE PROOF OF OWNERSHIP.] (a) If application is made for a certificate of title for a watercraft and the commissioner is not satisfied of the ownership of the watercraft or the existence of security interests in the watercraft, the watercraft may be assigned a title number but the commissioner must:*

*(1) withhold issuance of a certificate of title until the applicant presents documents that satisfy the commissioner of the applicant's ownership of the watercraft and of security interest in the watercraft; or*

*(2) require the applicant to file a bond in the form prescribed by the commissioner and executed by the applicant as a condition to issuing a certificate of title.*

*(b) A bond filed under this subdivision must be accompanied by the deposit of cash or executed by a surety company authorized to do business in this state. The bond must be in an amount equal to 1-1/2 times the value*

*of the watercraft as determined by the commissioner. The bond must be conditioned to indemnify prior owners, secured parties, and later purchasers of the watercraft or persons acquiring a security interest in the watercraft, or successors in interest of the persons, against expenses, losses, or damages, including reasonable attorney fees, by reason of the issuance of the certificate of title to the watercraft or on account of a defect in or undisclosed security interest upon the right, title, and interest of the applicant in the watercraft.*

*(c) An interested person has a right of action to recover on the bond for a breach of its conditions, but the aggregate liability of the surety to all persons may not exceed the amount of the bond.*

*(d) The commissioner shall return the bond and any deposit accompanying the bond if:*

*(1) the commissioner has not been notified of the pendency of an action to recover on the bond;*

*(2) questions of ownership and outstanding security interests have been resolved to the satisfaction of the commissioner;*

*(3) the bond has been posted for three years or the watercraft is not registered for license purposes in this state under section 361.03; and*

*(4) the currently valid certificate of title is surrendered.*

*Subd. 5. [RECORDS.] (a) The commissioner shall maintain records of certificates of title issued under this section according to one of the following systems:*

*(1) under a distinctive title number assigned to a watercraft;*

*(2) under the registration number awarded to a watercraft in accordance with the registration and numbering law of the state where it is registered;*

*(3) alphabetically, under the name of the owner; or*

*(4) under another system determined by the commissioner.*

*(b) Records relating to watercraft titling maintained by the commissioner are public records and are open to public inspection during regular office hours.*

*Subd. 6. [GROUNDS FOR REFUSAL TO ISSUE CERTIFICATE OF TITLE.] The commissioner may not issue a certificate of title if a required fee is not paid or the commissioner has reasonable grounds to believe that:*

*(1) the applicant is not the owner of the watercraft;*

*(2) the application contains a false statement; or*

*(3) the applicant failed to furnish required information or documents or additional information the commissioner reasonably requires.*

**Sec. 5. [361A.04] [DEALER ACQUISITION AND TRANSFER.]**

*Subdivision 1. [CERTIFICATE OF ORIGIN REQUIRED.] (a) A dealer may not purchase or acquire a new titled watercraft without obtaining a manufacturer's or importer's certificate of origin from the seller.*

*(b) A manufacturer, importer, dealer, or other person may not sell or otherwise dispose of a new titled watercraft to a dealer for purposes of display and resale without delivering to the dealer a manufacturer's or*

*importer's certificate of origin.*

*Subd. 2. [CONTENTS OF CERTIFICATE.] The manufacturer's or importer's certificate of origin must be of a form prescribed by the commissioner and contain:*

*(1) a description of the watercraft, including its trade name, if any, year, series or model, hull material, length, and hull identification number;*

*(2) certification of the date of transfer of the watercraft and the name and address of the person to whom the watercraft was transferred;*

*(3) certification that the transfer of the watercraft was in ordinary trade and commerce;*

*(4) the signature and address of a representative of the person transferring the watercraft;*

*(5) an assignment form, including the name and address of the person the watercraft is to be transferred to, a certification that the watercraft is new, and a warranty that the title at the time of delivery is subject only to the security interests stated on the title; and*

*(6) other information required by the commissioner.*

*Subd. 3. [SALE OF NEW WATERCRAFT.] A dealer selling or exchanging a new titled watercraft, before delivering the watercraft to a purchaser, shall apply to the commissioner for a new title in the name of the purchaser. The application must contain the name and address of any secured party holding a security interest created or reserved at the time of sale and the date of the security agreement and must be accompanied by a manufacturer's or importer's certificate of origin. The application must be signed by the dealer and the owner, and the dealer shall promptly mail or deliver the application to the commissioner or a deputy registrar.*

*Subd. 4. [USED WATERCRAFT ACQUIRED FOR RESALE.] (a) If a dealer buys or acquires a used titled watercraft for resale, the dealer must apply to the commissioner or deputy registrar and obtain a title number before selling or exchanging the watercraft in the same manner as a new watercraft on forms the commissioner provides or apply for and obtain a certificate of title.*

*(b) If a dealer acquires a used titled watercraft for resale and the watercraft is covered by a certificate of title that is surrendered to the dealer by the owner at the time of delivery of the watercraft, the dealer need not send the certificate of title to the commissioner. Upon transferring the watercraft to another person, the dealer must promptly execute the assignment, showing the name and address of the person to whom the watercraft is transferred and forward the certificate to the commissioner or deputy registrar with the application for a new certificate of title.*

*Subd. 5. [WATERCRAFT WITH FOREIGN REGISTRATION.] (a) Except as provided in paragraph (b), an application for a certificate of title for a watercraft last registered in another state or foreign country must contain or be accompanied by:*

*(1) a certificate of title or registration issued by the other state or foreign country; and*

*(2) other information or documents the commissioner requires to establish the ownership of the watercraft and the existence or nonexistence of*

security interests.

*(b) If the state or foreign country where the watercraft was last registered does not issue certificates of title, the application must contain or be accompanied by:*

*(1) a proper bill of sale or sworn statement of ownership, certificate of registration, or evidence of ownership as required by the law of the state or foreign country; and*

*(2) any other information or documents the commissioner requires to establish the ownership of the watercraft and the existence or nonexistence of security interests.*

Sec. 6. [361A.05] [TRANSFER BY OWNER.]

*Subdivision 1. [VOLUNTARY TRANSFER.] (a) An owner who transfers a titled watercraft must execute the assignment and warranty of title to the person to whom the watercraft is transferred in the space provided on the certificate of title where the watercraft is delivered.*

*(b) The person acquiring the watercraft must obtain a new certificate of title by applying to the commissioner or a deputy registrar on a form prescribed by the commissioner, and submitting the required fee. The application for certificate of title must be filed within 15 days after delivery of the watercraft to the person acquiring the watercraft.*

*(c) Upon request of the owner or the person who acquired the watercraft, a secured party in possession of the certificate of title must deliver the certificate to the person acquiring the watercraft, the commissioner, or a deputy registrar, unless the transfer is a breach of the security agreement. The delivery of the certificate does not affect the rights of the secured party under the security agreement.*

*(d) If a security interest or encumbrance is first created at the time of transfer of ownership, the certificate must be retained by or delivered to the secured party.*

*Subd. 2. [TRANSFER BY LAW.] (a) Except as otherwise provided in this chapter, if the ownership of a titled watercraft is transferred by operation of law, including inheritance or bequest, order in bankruptcy, insolvency, replevin, execution, sale, or satisfaction of mechanic's lien, or repossession upon default in performance of the terms of a security agreement, the person acquiring the watercraft by operation of law must promptly submit the last certificate of title, if available, or the manufacturer's or importer's certificate or other satisfactory proof of the transfer of ownership to the commissioner or deputy registrar with the application for a new certificate of title and the required fee.*

*(b) If a secured party acquires a titled watercraft under the terms of a security agreement or by operation of law, the secured party must promptly submit to the commissioner, a deputy registrar, or the person acquiring the watercraft from the secured party the last certificate of title, if available, an application for a new certificate of title with the required fee, and an affidavit by the secured party or an authorized representative stating the facts entitling the secured party to possession and ownership of the watercraft, including a copy of the journal entry, court order, or instrument upon which the claim of possession and ownership is founded. If the secured party cannot produce the required proof of ownership, the secured party may submit other evidence with the application and the commissioner may*

*issue a new certificate of title if the evidence provides satisfactory proof of ownership.*

**Sec. 7. [361A.06] [TEMPORARY WATERCRAFT USE PERMITS.]**

*Subdivision 1. [ISSUANCE TO TITLE APPLICANT.] (a) The commissioner may issue a temporary watercraft use permit to a person applying for a certificate of title for a new or used watercraft to allow that person to operate the watercraft on the waters of this state pending completion of the titling and watercraft licensing process.*

*(b) The watercraft use permit must be carried aboard the watercraft to allow immediate inspection. The watercraft use permit must contain a description of the watercraft, including its trade name, if any, year, series or model, hull material, length, hull identification number, and other information prescribed by the commissioner. A permit is valid only for the watercraft for which it is issued.*

*Subd. 2. [DISTRIBUTION TO DEALERS.] The commissioner may distribute permits in booklet form to licensed dealers. If the dealer issues a permit, the dealer must submit a watercraft use permit information form to the commissioner. The commissioner must provide information forms that require the name of the person to whom the watercraft use permit was issued, the watercraft description, dates of issue and expiration, and other information prescribed by the commissioner.*

**Sec. 8. [361A.07] [DUPLICATE CERTIFICATE.]**

*Subdivision 1. [FORM AND ISSUANCE.] (a) The commissioner may issue a duplicate certificate of title under this section. The duplicate certificate of title must be a certified copy plainly marked "duplicate" across its face and must contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate." It must be mailed to the first secured party named in it or, if none, to the owner. The commissioner shall indicate in the department records that a duplicate has been issued.*

*(b) As a condition to issuing a duplicate certificate of title, the commissioner may require a bond from the applicant in the manner and form prescribed in section 4, subdivision 4, paragraph (b).*

*Subd. 2. [WAITING PERIOD TO ISSUE NEW CERTIFICATE OF TITLE.] The commissioner may not issue a new certificate of title to a person acquiring a watercraft under an application made on a duplicate certificate of title until at least 15 days after receiving the application.*

*Subd. 3. [DISAPPEARANCE OF ORIGINAL CERTIFICATE.] If a certificate of title is lost, stolen, or destroyed, the owner or legal representative of the owner named in the certificate may obtain a duplicate by applying to the commissioner, furnishing information the commissioner requires concerning the original certificate, and the circumstances of its loss or destruction.*

*Subd. 4. [MUTILATED OR ILLEGIBLE CERTIFICATE.] If an original certificate of title is mutilated or rendered illegible, the person in possession of the title must return it to the commissioner with the application for a duplicate.*

*Subd. 5. [RECOVERY OF LOST OR STOLEN CERTIFICATE.] If a lost*



*or stolen certificate of title for which a duplicate has been issued is recovered, the lost or stolen certificate of title must be surrendered promptly to the commissioner for cancellation.*

Sec. 9. [361A.08] [SUSPENSION OR REVOCATION OF CERTIFICATE.]

*Subdivision 1. [SUSPENSION OR REVOCATION.] The commissioner shall suspend or revoke a certificate of title upon notice and reasonable opportunity to be heard if authorized by law or if the commissioner finds that:*

*(1) the certificate of title was fraudulently procured or erroneously issued; or*

*(2) the watercraft has been scrapped, dismantled, or destroyed.*

*Subd. 2. [DUTIES OF OWNER.] If the commissioner suspends or revokes a certificate of title, the owner or person in possession of the certificate of title, immediately upon receiving notice of the suspension or revocation, shall mail or deliver the certificate to the commissioner.*

*Subd. 3. [SEIZURE OR IMPOUNDMENT.] The commissioner may seize and impound a certificate of title that has been suspended or revoked.*

*Subd. 4. [SUBSEQUENT GOOD FAITH PURCHASER.] Suspension or revocation of a certificate of title does not affect the validity of a subsequent transfer to a purchaser relying in good faith on the assignment of a suspended or revoked title if the certificate of title was not surrendered to or seized by the commissioner under subdivisions 2 and 3, and the commissioner shall issue a new certificate of title to an applicant who is a good faith purchaser for value in those circumstances.*

Sec. 10. [361A.09] [RESPONSIBILITIES OF COMMISSIONER.]

*The commissioner shall prescribe and provide suitable forms of applications, certificates of title, notices of security interests, and other notices and forms necessary to implement this chapter. In addition, the commissioner may:*

*(1) make necessary investigations to procure information required to implement this chapter;*

*(2) assign a new hull identification number to a watercraft if the watercraft does not have a number or the number is destroyed or obliterated; or*

*(3) adopt and enforce rules necessary to implement this chapter.*

Sec. 11. [361A.10] [PENALTIES.]

*Subdivision 1. [FELONY.] A person is guilty of a felony and punishable by imprisonment for a term of not more than four years, or payment of a fine of not more than \$5,000, or both, if the person with fraudulent intent:*

*(1) uses a false or fictitious name or address, makes a material false statement, fails to disclose a security interest, or conceals any other material fact in an application for a certificate of title; or*

*(2) submits a false, forged, or fictitious document in support of an application for a certificate of title.*

*Subd. 2. [MISDEMEANOR.] A person is guilty of a misdemeanor if that person:*

(1) with fraudulent intent permits another to use or possess a certificate of title who is not entitled to use or possess the certificate of title;

(2) willfully fails to mail or deliver a certificate of title to the commissioner or a deputy registrar within ten days after the time required;

(3) willfully fails to deliver to a person acquiring a watercraft a certificate of title within ten days after the time required;

(4) commits a fraud in an application for a certificate of title; or

(5) fails to notify the commissioner of a fact as required by law.

**Sec. 12. [361A.11] [TITLE FEES.]**

*Subdivision 1. [FEES.] (a) The fee to be paid to the commissioner:*

(1) for issuing an original certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$10.50;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$7;

(3) for transferring the interest of an owner and issuing a new certificate of title, is \$7;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, is \$1; and

(5) for issuing a duplicate certificate of title, is \$4.

(b) In addition to other statutory fees and taxes, a filing fee of \$3.25 is imposed on every application. The filing fee must be shown as a separate item on title renewal notices sent by the commissioner.

*Subd. 2. [CONCURRENT APPLICATIONS.] If a person applies for an original or a new certificate of title for a watercraft concurrently with an application for transfer of license of the watercraft to the applicant, the fee prescribed in subdivision 1 is in lieu of the fee prescribed by section 361.03 for a transfer of ownership or license of the watercraft to the applicant.*

*Subd. 3. [FEES PAID BEFORE TITLE ISSUED.] Subject to subdivision 2, the commissioner may not issue a certificate of title for a watercraft until the fees prescribed by subdivision 1 and section 361.03 for a prior transfer of ownership or license of the watercraft have been paid.*

*Subd. 4. [DEPOSIT OF FEE.] Fees collected under this section must be deposited in the state treasury and credited to the water recreation account, except a deputy registrar who originates an application shall retain the filing fee under subdivision 1, paragraph (b).*

**Sec. 13. [361A.12] [INAPPLICABLE LIENS AND SECURITY INTERESTS.]**

*The requirements of this chapter relating to security interests and certificate of title do not apply to or affect:*

(1) a lien given by statute or rule of law to a supplier of services or materials for the watercraft while the watercraft is in the possession of the lienholder;

(2) a lien given by statute to the United States, this state, or a political subdivision of this state; or

(3) a security interest in a watercraft created by a manufacturer or dealer who holds the watercraft for sale.

Sec. 14. [361A.13] [SECURITY INTERESTS.]

*Subdivision 1. [VALIDITY.] Unless excepted by section 13, a security interest in a titled watercraft is not valid against creditors of the owner or subsequent transferees or secured parties of the watercraft unless perfected as provided in this chapter.*

*Subd. 2. [PERFECTION.] A security interest is perfected by the delivery to the commissioner of the existing certificate of title, if any, or an application for a certificate of title, containing the name and address of the secured party, the date of the security agreement, and the required fee. It is perfected as of the time of its creation if the delivery is completed within the following ten days. In other instances it is perfected as of the time of the delivery. The method provided in this chapter is exclusive.*

Sec. 15. [361A.14] [OWNER-CREATED SECURITY INTEREST.]

*Paragraphs (a) to (d) apply if an owner creates a security interest in a titled watercraft.*

*(a) The owner shall immediately execute the application in the space provided on the certificate of title or on a separate form prescribed by the commissioner, show the name and address of the secured party on the certificate, and have the certificate, application, and required fee delivered to the secured party.*

*(b) The secured party shall immediately have the certificate, application, and required fee mailed or delivered to the commissioner.*

*(c) Upon request of the owner or subordinate secured party, a secured party in possession of the certificate of title shall either (1) mail or deliver the certificate to the subordinate secured party for delivery to the commissioner, or (2) upon receiving from the subordinate secured party the owner's application and the required fee, mail or deliver them to the commissioner with the certificate. The delivery of the certificate does not affect the rights of the first secured party under the security agreement.*

*(d) Upon receiving the certificate of title, application, and required fee, the commissioner shall either endorse on the certificate or issue a new certificate containing the name and address of the new secured party, and mail or deliver the certificate to the first secured party named on it.*

Sec. 16. [361A.15] [LICENSED WATERCRAFT PREVIOUSLY PERFECTED.]

*If a security interest in a previously licensed watercraft is perfected under other applicable Minnesota law on January 1, 1991, the security interest continues perfected:*

*(1) until its perfection lapses under the law under which it was perfected or would lapse in the absence of a further filing; or*

*(2) until a certificate of title for the watercraft is issued and the security interest is perfected under section 14.*

*The assignment, release, or satisfaction of a security interest in a previously licensed watercraft is governed by the laws under which it was perfected.*

**Sec. 17. [361A.16] [SATISFACTION OF SECURITY INTEREST.]**

*Subdivision 1. [RELEASE.] Upon the satisfaction of a security interest in a watercraft for which the certificate of title is in the possession of the secured party, the secured party, within 15 days, shall execute a release of the security interest in the space provided on the certificate or as prescribed by the commissioner, and mail or deliver the certificate and release to the next secured party named or, if none, to the owner or a person who delivers to the secured party an authorization from the owner to receive the certificate. The owner, other than a dealer holding the watercraft for resale, shall promptly have the certificate, the release, and the required fee mailed or delivered to the commissioner, who shall release the secured party's rights on the certificate or issue a new certificate.*

*Subd. 2. [RELEASE OF SUBORDINATE SECURITY INTEREST.] Upon the satisfaction of a security interest in a watercraft for which the certificate of title is in the possession of a prior secured party, the secured party whose security interest is satisfied shall execute a release in the form prescribed by the commissioner and, within 15 days after satisfaction, deliver the release to the owner or a person who delivers to the secured party.*

**Sec. 18. [361A.17] [DISCLOSURE OF SECURITY AGREEMENT.]**

*A secured party named in a certificate of title, upon written request of the owner or other secured party named on the certificate, must disclose pertinent information about the security agreement and the indebtedness secured by it.*

**Sec. 19. [361A.18] [EFFECT OF SUSPENSION OR REVOCATION ON SECURITY INTEREST.]**

*Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.*

**Sec. 20. [361A.19] [PREVIOUSLY LICENSED WATERCRAFT UNDISCLOSED SECURITY INTERESTS.]**

*If the commissioner is not satisfied that there are no undisclosed security interests created before the watercraft is initially titled, the commissioner may, in addition to its options under section 4, subdivision 4, issue a distinctive certificate of title for the watercraft containing the legend: "This watercraft may be subject to an undisclosed lien," and any other information the commissioner prescribes.*

**Sec. 21. [361A.20] [LIENS ATTACHING TO WATERCRAFT.]**

*(a) A nonpossessory lien on a titled watercraft is not perfected unless a lien statement is filed with the commissioner.*

*(b) The lien statement must include:*

- (1) the watercraft owner's name and address;*
- (2) the statute under which the lien is taken;*
- (3) the name and address of the lienholder; and*
- (4) the title number of the watercraft.*

*(c) The commissioner shall note the time and date of filing the lien statement.*

**Sec. 22. [361A.21] [STOLEN WATERCRAFT.]**

*Subdivision 1. [DUTY OF PEACE OFFICERS.] A peace officer aware of a stolen or converted watercraft shall immediately furnish the commissioner with information concerning the theft or conversion.*

*Subd. 2. [DUTY OF COMMISSIONER.] The commissioner, upon receiving a report of the theft or conversion of a watercraft, shall record the report information, including the make of the stolen or converted watercraft and its builder's hull identification number, if any. The commissioner shall prepare a list of watercraft reported stolen and those recovered as disclosed by the reports submitted. The report may be distributed as the commissioner deems advisable.*

*Subd. 3. [DUTY OF OWNER.] If a stolen or converted watercraft is recovered, the owner shall immediately notify the commissioner.*

**Sec. 23. [EFFECTIVE DATE.]**

*Subdivision 1. [GENERALLY.] Except as provided in subdivision 2, sections 1 to 22 are effective January 1, 1991.*

*Subd. 2. [PHASE-IN PROVISIONS.] A watercraft that is owned and licensed under section 361.03 before January 1, 1991, is not required to have a certificate of title under this act until the owner transfers part of an interest in the watercraft, grants a security interest in the watercraft, or renews the license.*

**Sec. 24. [INSTRUCTION TO REVISOR.]**

*If legislation is enacted in the 1989 legislature to change section numbers of provisions governing watercraft licensing or to recodify those provisions into chapter 361A, the revisor of statutes shall correct cross-references to those provisions in this act and renumber the sections of Minnesota Statutes in this act consistent with those changes."*

Delete the title and insert:

"A bill for an act relating to watercraft; providing for titling of watercraft; providing for perfection of security interests in watercraft; amending Minnesota Statutes 1988, section 336.9-302; proposing coding for new law as Minnesota Statutes, chapter 361A."

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

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

S.F. No. 542: A bill for an act relating to agriculture; changing the agricultural land preservation law; amending Minnesota Statutes 1988, sections 40A.02, subdivision 10; 40A.04, subdivision 1; 40A.10; 40A.11, subdivision 4; 40A.17; and 273.119; proposing coding for new law in Minnesota Statutes, chapter 40A; repealing Minnesota Statutes 1988, section 40A.123, 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 1988, section 40A.02, subdivision 10, is amended to read:

Subd. 10. ~~[EXCLUSIVE AGRICULTURAL USE ZONE PRESERVE.]~~  
“~~Exclusive Agricultural use zone preserve~~” or “~~zone preserve~~” means a ~~zone preserve~~ created under this chapter.

Sec. 2. Minnesota Statutes 1988, section 40A.04, subdivision 1, is amended to read:

Subdivision 1. ~~[COUNTIES.]~~ After January 1, 1987, a county located outside of the metropolitan area may submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. To the extent practicable, submission of the proposal must coincide with the completion of the county soil survey. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within ~~90~~ 60 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within ~~60~~ 90 days of completion of the commissioner’s review. If the commissioner determines that the plan and controls are not consistent, the comments must include the additional elements that must be addressed by the county. The county shall amend its plan and controls to include the additional elements and adopt the amended controls within ~~90~~ 120 days of completion of the commissioner’s review.

Sec. 3. Minnesota Statutes 1988, section 40A.10, subdivision 1, is amended to read:

Subdivision 1. ~~[CONTENTS.]~~ (a) An eligible person may apply to the county in which the land is located for the creation of an ~~exclusive agricultural use zone preserve~~ on forms provided by the commissioner. In case a ~~zone preserve~~ is located in more than one county, the application must be submitted to the county in which the majority of the land is located. The application must contain at least the following information and other information the commissioner requires:

~~(a)~~ (1) legal description of the area to be designated and parcel identification numbers where designated by the county auditor;

~~(b)~~ (2) name and address of the owner;

~~(c)~~ (3) a witnessed signature of the owner covenanting that the land will be kept in exclusive agricultural use and will be used in accordance with the provisions of this chapter that exist on the date of application; and

~~(d)~~ (4) a statement that the restrictive covenant will be binding on the owner or the owner’s successor or assignee, and will run with the land.

(b) In the case of registered property, the owner shall submit the owner’s duplicate certificate of title along with the application.

Sec. 4. Minnesota Statutes 1988, section 40A.10, subdivision 2, is amended to read:

Subd. 2. [REVIEW AND NOTICE.] Upon receipt of an application, the county shall determine if all material required by subdivision 1 has been submitted and, if so, shall determine that the application is complete. *When used in this chapter, the term "date of application" means the date the application is determined to be complete by the county.* The county shall send a copy of the application to the county assessor, the regional development commission, where applicable, and the soil and water conservation district where the land is located. The district shall prepare an advisory statement of existing and potential conservation problems in the zone. The district shall send the statement to the owner of record and to the commissioner. *A copy of the application and a legal description of the property must also be sent to the commissioner.*

Sec. 5. Minnesota Statutes 1988, section 40A.10, is amended by adding a subdivision to read:

Subd. 6. [MAPS.] *The commissioner shall maintain agricultural preserve maps illustrating land covenanted as agricultural preserves.*

Sec. 6. Minnesota Statutes 1988, section 40A.11, subdivision 4, is amended to read:

Subd. 4. [NOTICE AND RECORDING; TERMINATION.] When the county receives notice under subdivision 2 or serves notice under subdivision 3, the county shall forward the original notice to the county recorder for recording and shall notify the regional development commission, the commissioner, and the county soil and water conservation district of the date of expiration. Designation as an ~~exclusive agricultural use zone preserve~~ and the benefits and limitations contained in this chapter and the restrictive covenant filed with the application cease on the date of expiration. ~~In the case of~~ For registered property, the county recorder shall cancel the restrictive covenant upon the certificate of title and the owner's duplicate certificate of title on the effective date of the expiration.

Sec. 7. Minnesota Statutes 1988, section 40A.122, subdivision 7, is amended to read:

Subd. 7. [TERMINATION OF ~~ZONE PRESERVE~~.] Designation as an ~~exclusive agricultural use zone preserve~~ and all benefits and limitations under this chapter, including the restrictive covenant for the portion of the zone taken, ends on the date the ~~final certificate is filed with the administrator of district court under section 417.205~~ condemning authority is entitled to title and possession of the property in accordance with the terms of section 117.042.

Sec. 8. Minnesota Statutes 1988, section 40A.17, is amended to read:  
40A.17 [REPORT.]

The commissioner shall report to the legislature on January 1 and July 1 of each year on activities under this chapter. ~~By July 1, 1985,~~ The report must include the survey of public awareness in the awareness program. The report shall include recommendations for funding levels and other necessary legislative action.

Sec. 9. [40A.18] [LAND USE.]

Subdivision 1. [AGRICULTURAL PRODUCTION.] *Land within an agricultural preserve must be maintained for agricultural production. The average maximum density of residential structures within an agricultural*

*preserve and the location of a new structure must conform to the locally applicable plan or zoning regulations. Commercial and industrial uses are not permitted except as provided in subdivision 2 after the user is issued a permit by the local government. The local government is responsible for enforcing this section.*

*Subd. 2. [ALLOWED COMMERCIAL AND INDUSTRIAL OPERATIONS.] Commercial and industrial operations are not allowed on land within an agricultural preserve except:*

*(1) small on-farm commercial or industrial operations normally associated with and important to farming in the agricultural preserve area;*

*(2) storage use of existing farm buildings that does not disrupt the integrity of the agricultural preserve; and*

*(3) small commercial use of existing farm buildings for trades not disruptive to the integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop, and similar activities that a farm operator might conduct.*

*"Existing" in clauses (2) and (3) means existing on August 1, 1989.*

*Subd. 3. [DENSITY RESTRICTION AFTER SUBDIVISION.] If a separate parcel is created for a residential structure, commercial, or industrial use permitted under subdivision 1, the parcel is no longer an agricultural preserve unless the eligibility requirements of section 40A.09 and county eligibility requirements are met. The separate parcel must remain under the maximum residential density restrictions in effect for the original preserve at the time it was placed into the preserve until the agricultural preserve status for the original parcel ends.*

Sec. 10. Minnesota Statutes 1988, section 473H.15, subdivision 10, is amended to read:

Subd. 10. [TERMINATION OF PRESERVE.] The agricultural preserve designation and all benefits and limitations accruing through sections 473H.02 to 473H.17 for the preserve and the restrictive covenant for that portion of the preserve taken, shall cease on the date the final certificate is filed with the court administrator of district court in accordance with section 117.205 condemning authority is entitled to title and possession in accordance with the terms of section 117.042.

Sec. 11. [INSTRUCTION TO REVISOR.]

*The revisor of statutes shall change the words "exclusive agricultural use zone" wherever they appear in Minnesota Statutes to "agricultural preserve."*

Amend the title as follows:

Page 1, line 5, after "40A.10" insert ", subdivisions 1, 2, and by adding a subdivision" and after "4;" insert "40A.122, subdivision 7;"

Page 1, line 6, delete "273.119" and insert "473H.15, subdivision 10"

Page 1, line 7, delete everything after "40A" and insert a period

Page 1, delete line 8

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



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

S.F. No. 583: A bill for an act relating to agriculture; regulating the manufacture of cultured dairy food; requiring pasteurization for certain dairy products; amending Minnesota Statutes 1988, section 32.486, subdivision 1, and by adding a subdivision.

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

Page 1, line 12, delete "*non-grade A*"

Page 1, delete lines 13 and 14 and insert "*other than a grade A cultured dairy product.*"

Page 1, line 22, before "*Milk*" insert "*(a)*"

Page 1, line 23, delete "*must be less*" and insert "*may not be more*"

Page 1, line 25, before "*Pasteurization*" insert "*(b)*"

Page 1, line 26, delete "*or*" and insert "*and facilities making 70,000 pounds or less of*" and delete "*, except that*" and insert "*per year.*"

Page 2, delete lines 1 and 2 and insert:

"Sec. 3. [EFFECTIVE DATE.]

*Section 2 is effective August 1, 1989, except persons processing Minnesota farmstead cheese or cultured dairy food need not have pasteurization until July 1, 1991.*"

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

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

S.F. No. 1042: A bill for an act relating to the environment; requiring the use of soy-based ink for some printing operations; 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. [16B.125] [PRINTING INKS; STATE PRINTING.]

*Subdivision 1. [DEFINITION; SOY-BASED INK.] For the purposes of this section "soy-based ink" means printing ink made from soy oil.*

*Subd. 2. [STATE PRINTER.] Whenever practical and feasible, the state printer shall use soy-based ink for all printing orders or projects. The printer shall also advise state agencies on and encourage them to use materials and printing processes that allow for the use of soy-based ink.*

*Subd. 3. [STATE AGENCIES; PRINTING CONTRACTS.] When a state agency seeks to enter a contract for printing with, or otherwise purchases printing from, the state or another printer, the agency shall, when feasible, specify use of soy-based ink at least when it can specify use of a newsprint product that is printed on a non-heat-set web press or a sheet-fed press. Whenever practical, a state agency shall specify materials and printing*

*processes that enable use of soy-based ink.*

*Subd. 4. [DETERMINATION OF USE.] When the state printer or a state agency is making a determination whether to use soy-based ink or not, the state printer or agency shall consider the practicality of soy-based ink with regard to the type of paper to be used in the project, the production schedule required, the type of printing equipment likely to be used, the availability of ink, and any other relevant considerations."*

Amend the title as follows:

Page 1, line 2, delete "the environment" and insert "agriculture"

Page 1, line 4, delete "115A" and insert "16B"

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

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

S.F. No. 49: A bill for an act relating to agriculture; authorizing grazing or haying of certain land under conservation easements with the approval of the governor; amending Minnesota Statutes 1988, section 40.43, subdivision 4.

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

Page 1, line 15, delete "*or haying*" and strike "unless" and delete "*in the case of*"

Page 1, lines 16 and 17, delete the new language and strike the old language

Page 1, line 18, delete "*restrictions*" and strike "by the" and delete "*governor*" and strike "after consultation"

Page 1, line 19, strike "with" and delete "*and receiving the recommendation of*" and strike "the"

Page 1, line 20, delete "*commissioners*" and strike "of natural resources"

Page 1, lines 21 to 23, delete the new language

Page 2, after line 7, insert:

"Sec. 2. [APPLICATION.]

*Section 1 applies to conservation easements entered after the effective date of section 1. The board of water and soil resources may allow grazing of livestock on conservation easements entered before the effective date of section 1 in case of a severe drought or a local emergency declared under Minnesota Statutes, section 12.29."*

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

Mr. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

S.F. No. 237: A bill for an act relating to pollution; regulating the disposal of infectious and pathological wastes; providing for penalties for violation;

appropriating money; amending Minnesota Statutes 1988, section 609.671, 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 21, after "are" insert "*generated from a certified laboratory and are*"

Page 3, line 6, after "animals" insert "*knowingly and*"

Page 3, line 34, before the colon, insert "*except those generated from a household or from a farm operation or agricultural business*"

Page 8, line 10, after the period, insert "*The agency before adopting rules affecting animals or research animal waste must consult the commissioner of agriculture and the board of animal health.*"

Page 8, line 14, after the period, insert "*The commissioner of health before adopting rules affecting animals or research animal waste must consult the commissioner of agriculture and the board of animal health.*"

Page 9, line 22, delete "commissioner" and insert "commissioners"

Page 9, line 23, delete the comma and insert "*and agriculture, and the board of animal health*"

Page 10, line 15, delete everything after the period

Page 10, delete line 16

Page 10, line 20, delete everything after the period

Page 10, delete line 21

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

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

S.F. No. 744: A bill for an act relating to agriculture; making technical changes in the seed and dairy inspection laws; amending Minnesota Statutes 1988, sections 21.89, subdivisions 2 and 4; and 32.103.

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

Delete everything after the enacting clause and insert:

"Section 1. [21.891] [SEED PERMITS AND FEES.]

*Subdivision 1. [SEED PERMIT REQUIRED.] (a) Except as provided in subdivision 3, a person who is the initial labeler may not sell agricultural seed, vegetable seed, or flower seed for use in this state without a seed permit. A seed permit is valid as long as seed fees under subdivision 2 are paid.*

*(b) The commissioner may revoke the seed permit of a person who violates a provision of sections 21.80 to 21.92 or rules adopted under those sections.*

*Subd. 2. [SEED FEES.] Except as provided in subdivision 3, an initial*

*labeler of seed must pay a seed fee, based on the weight, for the agricultural seed, vegetable seed, and flower seed sold for use in this state.*

*Subd. 3. [EXEMPTION.] An initial labeler is not required to have a permit under subdivision 1 or pay seed fees under subdivision 2:*

*(1) for agricultural, vegetable, or flower seeds that are of the breeder or foundation seed classes of varieties developed by publicly financed research agencies intended to increase the quantity of seed available; or*

*(2) for agricultural seed other than lawn and turf grass seed, if less than 50,000 pounds of agricultural seed other than lawn and turf grass seed are sold annually in this state.*

*Subd. 4. [RULES.] The commissioner shall set a permit fee and seed fees under section 16A.128 to cover the administrative cost of administering and enforcing sections 21.80 to 21.92. The commissioner may set a penalty fee to be assessed against an initial labeler who does not comply with seed permit requirements. The commissioner shall prescribe the procedures by rule for seed permits and seed fees.*

**Sec. 2. [REPEALER.]**

*Minnesota Statutes 1988, section 21.89, is repealed."*

Amend the title as follows:

Page 1, line 3, delete "amending" and insert "proposing coding for new law in Minnesota Statutes, chapter 21; repealing"

Page 1, line 4, delete "sections" and insert "section" and delete everything after "21.89" and insert a period

Page 1, delete line 5

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. 1444: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding.

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

Page 1, line 7, delete "\$ . . . . ." and insert "\$250,000"

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 re-referred

S.F. No. 605: A bill for an act relating to corrections; authorizing the commissioner of corrections to take photographs of juveniles committed to the commissioner for management and law enforcement purposes; amending Minnesota Statutes 1988, section 260.161, subdivision 3.

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. 530: A bill for an act relating to waste management; defining "waste reduction"; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substances compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metal finishers are not liable for payment of hazardous waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, and 7, and by adding four subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4 and by adding a subdivision; 446.04, subdivision 1; 473.149, subdivisions 2d and 2e; 473.803, by adding a subdivision 1a; 473.845, subdivision 2; and 473.848; amending Laws 1987, chapter 348, section 50; proposing coding for new law in chapter 115A; repealing Minnesota Statutes 1988, sections 115A.98 and 115B.29, 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 1988, section 115A.01, is amended to read:

115A.01 [CITATION.]

~~Sections 115A.01 to 115A.72 Chapter 115A shall be known as the waste management act of 1980.~~

Sec. 2. Minnesota Statutes 1988, section 115A.02, is amended to read:

115A.02 [LEGISLATIVE DECLARATION OF POLICY; PURPOSES.]

(a) It is the goal of ~~sections 115A.01 to 115A.72~~ *this chapter* to improve waste management in the state to serve the following purposes:

- (a) (1) Reduction in waste generated;
- (b) (2) Separation and recovery of materials and energy from waste;
- (c) (3) Reduction in indiscriminate dependence on disposal of waste;
- (d) (4) Coordination of solid waste management among political subdivisions; *and*
- (e) (5) Orderly and deliberate development and financial security of waste facilities including disposal facilities.

*(b) The waste management goal of the state is to foster an integrated waste management system in a manner appropriate to the characteristics of the waste stream. The following waste management practices are in order of preference:*

- (1) waste reduction and reuse;*
- (2) waste recycling and yard waste composting;*
- (3) resource recovery through mixed municipal solid waste composting or incineration; and*
- (4) land disposal.*

Sec. 3. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

*Subd. 36a. [WASTE REDUCTION.] "Waste reduction" means an activity that prevents generation of waste including reusing a product in its original form, increasing the life span of a product, reducing material used in production or packaging, or changing procurement, consumption, or waste generation habits to result in smaller quantities of waste generated.*

Sec. 4. Minnesota Statutes 1988, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGEMENT.] The chair of the board shall establish a solid waste management advisory council and a hazardous waste management planning council broadly representative of the geographic areas and interests of the state. The councils shall have not less than nine nor more than 18 members each. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms. The chairs of the advisory councils shall be appointed by the chair of the board. The chair of the board shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the chair of the board. The solid waste advisory council shall make recommendations to the board on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the board on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the chair of the board. The solid waste management advisory council and the hazardous waste management planning council expire as provided in section 15.059, subdivision 5 June 30, 1994.

Sec. 5. Minnesota Statutes 1988, section 115A.14, subdivision 2, is amended to read:

Subd. 2. [STAFF] The commission is authorized, without regard to the civil service laws and rules, to appoint and fix the compensation of such additional legal and other personnel and consultants as may be necessary

to enable it to carry out its functions, or to contract for services to supply necessary data, except that any state employees subject to the civil service laws and rules who may be assigned to the commission shall retain civil service status without interruption or loss of status or privilege. ~~The staff shall be hired and supervised for the commission by the executive director of the legislative commission on Minnesota resources.~~

Sec. 6. Minnesota Statutes 1988, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] (a) The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems.

(b) The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. *In assessing the need for additional capacity for resource recovery or land disposal, the plans shall take into account the characteristics of waste stream components and shall give priority to waste reduction, separation, and recycling.*

(c) The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste.

(d) The plans shall address at least waste reduction, separation, *recycling*, and *other resource recovery options*, and shall include *specific and quantifiable* objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste *and for the implementation of feasible and prudent reduction, separation, recycling, and other resource recovery options. These objectives shall be consistent with statewide objectives as identified in statute.* The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement, *reduction, separation, recycling, and other resource recovery* objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities.

(e) The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established.

(f) The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan.

(g) The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period,

including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable.

(h) The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 7. Minnesota Statutes 1988, section 115A.80, is amended to read:

115A.80 [DESIGNATION OF ~~RESOURCE RECOVERY~~ SOLID WASTE MANAGEMENT FACILITIES; PURPOSE.]

In order to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by ~~resource recovery~~ *effective solid waste management*, the legislature finds and declares that it may be necessary pursuant to sections 115A.80 to 115A.89 to authorize a qualifying solid waste management district or county to designate a ~~resource recovery~~ *solid waste processing or disposal* facility.

Sec. 8. Minnesota Statutes 1988, section 115A.81, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or any portion of the mixed municipal solid waste that is generated within its boundaries or any service area thereof be delivered to a ~~resource recovery~~ *solid waste processing or disposal* facility identified by the district or county.

Sec. 9. Minnesota Statutes 1988, section 115A.83, is amended to read:

115A.83 [EXEMPTION.]

The designation may not apply to or include:

(1) materials that are separated from solid waste and recovered for reuse in their original form or for use in manufacturing processes; or

(2) materials that are processed at ~~another~~ a resource recovery facility at the capacity in operation at the time that the designation plan is approved by the reviewing authority.

Sec. 10. Minnesota Statutes 1988, section 115A.84, is amended to read:

115A.84 [DESIGNATION PLAN.]

Subdivision 1. [REQUIREMENT.] Before commencing the designation procedure under section 115A.85, the district or county shall adopt a comprehensive solid waste management plan or, under chapter 473, a master plan. ~~The comprehensive or master plan must include county or district shall then submit a plan for designation to be approved under this section. A county's or district's designation plan must be consistent with its solid waste management plan or master plan and with statewide and regional waste management goals.~~

Subd. 2. [DESIGNATION; PLAN CONTENTS.] (a) The designation plan must evaluate:

(1) the benefits of the designation, including the public purposes achieved by the conservation and recovery of resources, the furtherance of local and any district or regional waste management plans and policies, and the



furtherance of the state policies and purposes expressed in section 115A.02; and

(2) the estimated costs of the designation, including the direct capital, operating, and maintenance costs of the facility designated, the indirect costs, and the long-term effects of the designation.

(b) In particular the designation plan must evaluate:

(1) whether the designation will result in the recovery of resources or energy from materials which would otherwise be wasted;

(2) whether the designation will lessen the demand for and use of *indiscriminate* land disposal;

(3) whether the designation is necessary for the financial support of the facility;

(4) whether less restrictive methods for ensuring an adequate solid waste supply are available; ~~and~~

(5) other feasible and prudent waste ~~processing~~ *management* alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators; *and*

(6) *whether the designation takes into account and promotes local, regional, and state waste management goals.*

(c) *When the plan proposes designation to disposal facilities, the designation plan must also evaluate:*

(1) *whether the disposal facility is part of an integrated waste management system involving a processing facility and the designation is necessary for the financial support of the processing facility;*

(2) *whether the designation will better serve to protect public health and safety;*

(3) *the impacts on other disposal facilities in the area;*

(4) *whether the designation is necessary to promote regional waste management programs and cooperation; and*

(5) *the extent to which the design and operation of the disposal facility protects the environment.*

Subd. 3. [PLAN APPROVAL.] (a) A district or county planning a designation for waste generated wholly within the metropolitan area defined in section 473.121 shall submit its designation plan to the metropolitan council for review and approval or disapproval. Other districts or counties shall submit the designation plan to the waste management board for review and approval or disapproval.

(b) The reviewing authority shall complete its review and make its decision within 120 days following submission of the plan for review. The reviewing authority shall approve the designation plan if the plan satisfies the requirements of subdivision 2 *and, in the case of designation to disposal facilities, if the reviewing authority finds that the plan has demonstrated that the designation is necessary and is consistent with section 115A.02.* The reviewing authority may attach conditions to its approval that relate to matters required in a designation ordinance under section 115A.86,

subdivision 1, paragraph (a), clauses (1) to (4), and paragraph (b). Amendments to plans must be submitted for review in accordance with this subdivision.

Subd. 4. [EXCLUSION OF CERTAIN MATERIALS.] (a) When ~~it~~ *the reviewing authority* approves the designation plan ~~the reviewing authority~~ *it shall exclude from the designation materials that the reviewing authority determines will be processed at another a resource recovery facility separate from the designated facility if:*

(1) ~~the other~~ *resource recovery facility requesting the exclusion is substantially completed or will be substantially completed within 18 months of the time that the designation plan is approved by the reviewing authority; and*

(2) ~~the other~~ *facility requesting the exclusion has or will have contracts for purchases of its product; and*

(3) ~~the materials are or will be under contract for delivery to the other facility requesting the exclusion at the time the other that facility is completed.~~

(b) *In order to qualify for the exclusion of materials under this subdivision, the operator or owner of the other resource recovery facility requesting the exclusion shall file with the reviewing authority and the district or county or counties a written description of the facility, its intended location, its waste supply sources, purchasers of its products, its design capacity and other information that the reviewing authority and the district or county or counties may reasonably require. The information must be filed as soon as it becomes available but not later than 30 days following the date when the county or district submits its designation plan for approval.*

(c) *The reviewing authority may revoke the exclusion granted under this subdivision when it approves the designation ordinance under section 115A.86 if in its judgment the excluded materials will not be processed at the other facility.*

Sec. 11. Minnesota Statutes 1988, section 115A.85, subdivision 2, is amended to read:

Subd. 2. [HEARING.] (a) *The district or county shall hold a public hearing to take testimony on the designation. Notice of the hearing must be:*

(1) *published in a newspaper of general circulation in the area for two successive weeks ending at least 15 days before the date of the hearing; and must be*

(2) *mailed to political subdivisions, landfill processing and disposal facility operators, and licensed solid waste collectors who may be expected to use the facility.*

(b) *The notification must:*

(1) *describe the area in which the designation will apply and the plans for the use of the solid waste;*

(2) *specify the point or points of delivery of the solid waste;*

(3) *estimate the types and quantities of solid waste subject to the designation; and*

(4) *estimate the fee to be charged for the use of the facilities and for any*

products of the facilities.

(c) A designation or contract for use is not invalid by reason of the failure of the district or county to provide written notice to an entity listed in this subdivision.

Sec. 12. Minnesota Statutes 1988, section 115A.86, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] The designation may *not* be placed into effect ~~no less than before~~ 60 days ~~following~~ after the approval required in subdivision 2. The effective date of the designation must be specified at least 60 days in advance. If the designation is not placed into effect within two years of approval, the designation must be resubmitted to the reviewing authority for approval or disapproval under subdivision 2, unless bonds have been issued to finance the ~~resource recovery~~ facility to which the designation applies.

Sec. 13. Minnesota Statutes 1988, section 115A.86, subdivision 5, is amended to read:

Subd. 5. [AMENDMENTS.] (a) Amendments to a designation ordinance must be submitted to the reviewing authority for approval. The reviewing authority shall approve the amendment if the amendment is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02. *If the reviewing authority finds that the proposed amendment is a substantive change from the existing designation plan, the reviewing authority may require that the county or solid waste management district submit a revised designation plan to the reviewing authority for approval. After receiving approval for the designation plan amendment from the reviewing authority, the county or district shall follow the procedure outlined in section 115A.85 prior to submitting the amended designation ordinance to the reviewing authority for approval.* If the reviewing authority does not act within 90 days after receiving the proposed amendment to the designation ordinance, the amendment is approved.

(b) *Prior to amending an ordinance to designate solid waste to a disposal facility, a county or district shall submit an amended designation plan to the reviewing authority for approval, and shall follow the procedures outlined in section 115A.85.*

Sec. 14. Minnesota Statutes 1988, section 115A.893, is amended to read:

#### 115A.893 [PETITION FOR EXCLUSION.]

*Subdivision 1.* [PETITION FOR EXCLUSION.] Any person proposing to own or operate a ~~resource recovery~~ processing facility using waste materials subject to a designation ordinance may petition the waste district or county for exclusion of the materials from the designation ordinance. In order to qualify for the exclusion of materials under this section, the petitioner shall submit with the petition a written description of the proposed facility, its intended location, its waste supply sources, purchasers of its products, its design capacity, and other information that the district or county may reasonably require.

*Subd. 2.* [DECISION.] The district or county, after appropriate notice and hearing, shall issue a written decision with findings of fact and conclusions on all material issues. The district or county shall grant the petition if it determines that:

(a) (1) the materials will be processed at the ~~resource recovery~~ facility; and

(b) (2) the exclusion can be implemented without impairing the financial viability of the designated facility or impairing contractual obligations or preventing the performance of contracts by the facility owner or operator, the district or county, or users of the facility.

*Subd. 3. [APPEAL OF DECISION.]* ~~Any~~ A person aggrieved by the decision of the district or county may appeal to the reviewing authority. The review is confined to the record. The decision of the reviewing authority must be based on the standards stated in this section.

*Subd. 4. [CONFORMANCE OF DESIGNATION ORDINANCE.]* If the reviewing authority approves the petition, the designation ordinance must be amended in conformance with the decision of the reviewing authority. The petition may be amended during the proceedings by agreement between the petitioner and the district or county.

Sec. 15. Minnesota Statutes 1988, section 115A.906, is amended by adding a subdivision to read:

*Subd. 2a. [EMERGENCY ABATEMENT.]* (a) *The commissioner may take emergency action to abate a waste tire nuisance without following the procedures of subdivision 2 if the commissioner determines that the nuisance constitutes a clear and immediate danger of uncontrollable fire or other hazard requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment.*

(b) *Before taking an action under this subdivision, the commissioner shall make all reasonable efforts, taking into account the urgency of the situation and any historical pattern of responses by the tire collector to any past problems or abatement orders, to follow as much of the procedure in subdivision 2 as is practical.*

(c) *Emergency action under this subdivision may include all of the activities authorized for an abatement order.*

Sec. 16. Minnesota Statutes 1988, 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 ~~35 cents~~ \$1 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. 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~~ the balance 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.

Sec. 17. [115A.922] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 17 to 22.*

*Subd. 2. [CLOSURE.] "Closure" means actions that will prevent, mitigate, or minimize the threat to public health and the environment posed by a closed solid waste disposal facility including application of final cover; grading and seeding of final cover; installation of an adequate monitoring system, if necessary; and construction of ground and surface water diversion structures.*

*Subd. 3. [MIXED MUNICIPAL SOLID WASTE DISPOSAL FACILITY.] "Mixed municipal solid waste disposal facility" means a waste facility used for the disposal of mixed municipal solid waste.*

*Subd. 4. [OPERATOR.] "Operator" means:*

*(1) the permittee of a mixed municipal solid waste disposal facility that has an agency permit; or*

*(2) the person in control of a mixed municipal solid waste disposal facility that does not have an agency permit.*

*Subd. 5. [POSTCLOSURE, POSTCLOSURE CARE.] "Postclosure" and "postclosure care" mean actions taken for the care, long-term maintenance, and monitoring of a solid waste disposal facility after closure that will prevent, mitigate, or minimize the threat to public health and environment posed by the closed facility.*

*Subd. 6. [RESPONSE.] "Response" has the meaning given it in section 115B.02, subdivision 18.*

*Subd. 7. [SOLID WASTE DISPOSAL FACILITY.] "Solid waste disposal facility" means a waste facility which is used for the disposal of solid waste.*

Sec. 18. [115A.923] [GREATER MINNESOTA LANDFILL CLEANUP FEE.]

*Subdivision 1. [AMOUNT OF FEE.] (a) The operator of a mixed municipal solid waste disposal facility outside of the metropolitan area shall pay a fee on solid waste accepted and disposed of at the facility as follows:*

*(1) a facility that weighs the waste that it accepts must pay a fee of \$2 per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility;*

*(2) a facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of \$2 per cubic yard of waste accepted at the entrance of the facility; and*

*(3) 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 is exempt from the fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed.*

*(b) To qualify for exemption under paragraph (a), clause (3), waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the agency, shall prescribe procedures for determining the amount of waste residue qualifying for*

*exemption.*

*Subd. 2. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering this section, the proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:*

*(1) three-quarters of the proceeds must be deposited in the greater Minnesota landfill maintenance fund; and*

*(2) one-quarter of the proceeds must be deposited in the greater Minnesota landfill contingency action fund.*

*Subd. 3. [PAYMENT OF FEE.] On or before the 20th day of each month each operator shall pay the fee due under this section for the previous month, using a form provided by the commissioner of revenue.*

*Subd. 4. [EXCHANGE OF INFORMATION.] Notwithstanding the provisions of section 116.075, the agency may provide the commissioner of revenue with the information necessary for the enforcement of this section. Information disclosed in a return filed under this section is public information. Information exchanged between the commissioner and the agency is public unless the information is of the type determined to be for the confidential use of the agency under section 116.075 or is trade secret information classified under section 13.37. Information obtained in the course of an audit by the department of revenue is private or nonpublic data to the extent that it would not be directly divulged in a return.*

*Subd. 5. [PENALTIES AND ENFORCEMENT.] The audit, penalty, and enforcement provisions applicable to taxes imposed under chapter 290 apply to the fees imposed under this section. The commissioner of revenue shall administer and enforce the provisions.*

*Subd. 6. [RULES.] The commissioner of revenue may adopt rules necessary to implement this section.*

**Sec. 19. [115A.924] [GREATER MINNESOTA LANDFILL MAINTENANCE FUND.]**

*Subdivision 1. [ESTABLISHMENT.] The greater Minnesota landfill maintenance fund is established as an account in the state treasury to assist counties and sanitary districts with authority to regulate solid waste with landfill maintenance responsibilities, including closure and postclosure care. The fund consists of revenue deposited in the fund under section 18, subdivision 2, clause (1), and interest earned on investment of money in the fund.*

*Subd. 2. [USE OF FUNDS.] The money in the greater Minnesota landfill maintenance fund may be spent only for landfill maintenance assistance related to closure and postclosure activities to counties and sanitary districts with authority to regulate solid waste outside of the metropolitan area that:*

*(1) host, or have hosted, solid waste disposal facilities or are responsible for landfill maintenance expenditures under a joint powers agreement; and*

*(2) have incurred or will incur expenses relating to closure and postclosure activities.*

*Subd. 3. [DISTRIBUTION OF FUNDS.] The commissioner of revenue shall distribute the funds to counties and sanitary districts with authority*

to regulate solid waste qualifying under subdivision 2. Of the amount in the fund:

(1) 50 percent must be distributed based on a qualifying county's population; and

(2) 50 percent must be distributed based on a qualifying county's share of mixed municipal solid waste disposal facilities.

*Subd. 4. [COUNTY REPORTING REQUIREMENT.] A county that receives money from the greater Minnesota landfill maintenance fund shall submit to the agency a fiscal report on the county's use of the funds. The fiscal report must be submitted by the end of the first quarter of each even-numbered year. The fiscal report must describe separately the fiscal activities of the previous two years.*

**Sec. 20. [115A.925] [GREATER MINNESOTA LANDFILL CONTINGENCY ACTION FUND.]**

*Subdivision 1. [ESTABLISHMENT.] The greater Minnesota landfill contingency action fund is established as an account in the state treasury. The fund consists of:*

(1) revenue deposited in the fund under section 18, subdivision 2, clause (2);

(2) amounts recovered under subdivision 6; and

(3) interest earned on investment of money in the fund.

*Subd. 2. [EXPENDITURES FROM THE FUND.] Money in the greater Minnesota landfill contingency action fund may only be appropriated to the agency for expenditure for:*

(1) reasonable and necessary expenses for closure and postclosure care of a mixed municipal solid waste disposal facility outside of the metropolitan area for a 20-year period after closure, if the agency determines that the operator or owner will not take the necessary actions requested by the agency for closure and postclosure in the manner and within the time requested; and

(2) reasonable and necessary response and postclosure costs at a mixed municipal solid waste disposal facility outside of the metropolitan area that has been closed for 20 years in compliance with the closure and postclosure rules of the agency.

*Subd. 3. [COMMISSION RECOMMENDATION.] The legislative commission on waste management shall make recommendations to the standing legislative committees on finance and appropriations about appropriations from the fund.*

*Subd. 4. [DUTY TO PROVIDE INFORMATION.] The operator or owner of a mixed municipal solid waste disposal facility or a solid waste disposal facility shall provide the necessary information to the agency required by sections 17 to 22 or by agency rules.*

*Subd. 5. [ACCESS TO INFORMATION AND PROPERTY.] The commissioner of the pollution control agency or a member, employee, or agent of the agency authorized by the agency, upon presentation of credentials, may:*

(1) examine and copy any books, papers, records, memoranda, or data

*of any person who has a duty to provide information to the agency under sections 17 to 22; and*

*(2) enter upon any property, public or private, for the purpose of taking an action authorized by this section including obtaining information from a person who has a duty to provide the information, conducting surveys or investigations, and taking response action.*

*Subd. 6. [RECOVERY OF EXPENSES.] If the agency incurs expenses for response actions at a facility, the agency is subrogated to any right of action that the operator or owner of the facility may have against any other person for the recovery of the expenses. The attorney general may bring an action to recover amounts spent by the agency under this section from persons who may be liable for them. Amounts recovered, including money paid under any agreement, stipulation, or settlement must be credited to the greater Minnesota landfill contingency action fund.*

*Subd. 7. [CIVIL PENALTIES.] A person who violates this section is subject to the civil penalties of section 115.071. All money recovered by the state under any statute or rule related to the regulation of solid waste outside of the metropolitan area, including civil penalties and money paid under any agreement, stipulation, or settlement, shall be credited to the greater Minnesota landfill contingency action fund.*

**Sec. 21. [115A.927] [REPORT TO THE LEGISLATURE.]**

*By July 1 of each even-numbered year, the agency shall report to the legislative commission on waste management, the house of representatives appropriations committee, and the senate finance committee on the activities for which money from the greater Minnesota landfill maintenance fund and the greater Minnesota landfill contingency action fund has been spent during the previous two years.*

**Sec. 22. [115A.928] [OPERATOR OR OWNER LIABILITY FOR RESPONSE EXPENSES.]**

*The operator or owner of a mixed municipal solid waste disposal facility is not liable under any other law for response costs incurred by the agency at that facility under section 20, if the facility has been closed for 20 years in compliance with the closure and postclosure rules of the agency. A provision of this section that relieves the operator or owner of a facility from liability for the payment of the agency's response costs must not be construed to affect the liability of any other person who may be liable for those costs.*

Sec. 23. Minnesota Statutes 1988, section 115A.94, is amended by adding a subdivision to read:

*Subd. 6. [ORGANIZED COLLECTION NOT REQUIRED OR PREVENTED.] Except as provided in subdivision 5, a city, town, or county is not:*

*(1) required to organize collection; or*

*(2) prevented from organizing collection of solid waste or recyclable material.*

Sec. 24. Minnesota Statutes 1988, section 115A.94, is amended by adding a subdivision to read:

*Subd. 7. [LEGISLATIVE INTENT.] It is the intention of the legislature*



*that the organized collection systems established under this chapter, including the activities related to organized collection of governmental bodies, organizations of collectors, individual collectors, and their officers, members, employees, and agents, shall be exempt from challenge under federal or state antitrust laws or other similar laws in regulation of trade or commerce.*

**Sec. 25. [115A.981] [SOLID WASTE DISPOSAL FACILITIES ANNUAL REPORTING.]**

*Subdivision 1. [RECORDKEEPING REQUIREMENTS.] The owner or operator of a solid waste disposal facility must maintain the records necessary to comply with the requirements of subdivisions 2 and 3.*

*Subd. 2. [ANNUAL REPORTING.] (a) The owner or operator of a solid waste disposal facility must:*

*(1) submit an annual report to the agency under section 115A.32;*

*(2) annually certify that it has established financial assurance for closure, postclosure care, and corrective action at the facility by using one or more of the financial assurance mechanisms specified by rule; and*

*(3) file a fee schedule with the agency with the annual report.*

*(b) The fee schedule must list all tipping fees, rates, charges, surcharges, and any other fees charged by each classification of customer. The agency may suspend the operation of a disposal facility whose permittee fails to file the information required under this subdivision. The owner or operator of a facility may not increase fees until 30 days after the owner or operator has submitted a fee schedule amendment to the agency.*

*Subd. 3. [CLASSIFICATION OF DATA.] Information declared proprietary information by the submitter that is received by the agency under subdivision 2 is nonpublic data as defined in section 13.02, subdivision 9, except that the attorney general has access to the information.*

*Subd. 4. [AGENCY REPORT.] The agency shall report to the legislative commission on waste management by July 1 of each year on the viability of the state's waste processing and disposal capability, the status of competitive forces in the market including recycling, composting, waste reduction and incineration, the extent to which existing fees for services are sufficient for facility development, engineering, environmental and safety factors, the progress of the industry in meeting the state's waste management goals, and recommendations for regulations to ensure protection of human health and the environment. In preparing the report, the agency shall consider information received under subdivision 2.*

**Sec. 26. Minnesota Statutes 1988, section 115B.04, subdivision 4, is amended to read:**

**Subd. 4. [LIABILITY OF POLITICAL SUBDIVISIONS.] (a) The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1, except when the political subdivision is liable under this section as the owner or operator of a disposal facility as defined in section 115A.03, subdivision 10.**

**(b) When a political subdivision is liable as an owner or operator of a disposal facility, the liability of each political subdivision is limited to \$400,000 at each facility unless the facility was owned or operated under a valid joint powers agreement by three or more political subdivisions, in**

*which case the aggregate liability of all political subdivisions that are parties to the joint powers agreement is limited to \$1,200,000.*

*(c) The limits on the liability of a political subdivision for ownership or operation of a disposal facility apply to the costs of remedial action incurred between the date a request for response action is issued by the agency and the date one year after the construction certificate of completion is approved by the commissioner, excluding costs incurred during negotiation of a consent order agreement.*

*(d) When a political subdivision takes remedial action as the owner or operator of a disposal facility between the dates in paragraph (c), it may receive, after approval by the agency, reimbursement of any amount spent pursuant to an approved work plan that exceeds the applicable liability limit specified in this subdivision.*

Sec. 27. Minnesota Statutes 1988, section 115B.17, is amended by adding a subdivision to read:

*Subd. 15. [ACQUISITION OF PROPERTY.] The agency may acquire an interest in real property that the agency determines is necessary for response action. The agency may acquire an interest by condemnation only if the agency is unable, after reasonable efforts, to acquire an interest in real property by purchase or donation. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this subdivision.*

Sec. 28. Minnesota Statutes 1988, section 115B.20, subdivision 2, is amended to read:

**Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.]** Subject to appropriation by the legislature the money in the fund may be spent for any of the following purposes:

(a) Preparation by the agency for taking removal or remedial action under section 115B.17, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18;

(b) Removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17, including related enforcement and compliance efforts under section 115B.17 or 115B.18, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

(c) Reimbursement to any private person for expenditures made before July 1, 1983 to provide alternative water supplies deemed necessary by the agency and the department of health to protect the public health from contamination resulting from the release of a hazardous substance;

(d) Removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17 including related enforcement and compliance efforts under section 115B.17 or 115B.18, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal

government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(e) Compensation as provided by law, after submission by the waste management board of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;

(f) Planning and implementation by the commissioner of natural resources of the rehabilitation, restoration or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;

(g) Inspection, monitoring and compliance efforts by the agency, or by political subdivisions with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;

(h) Grants by the agency or the waste management board to demonstrate alternatives to land disposal of hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;

(i) Intervention and environmental mediation by the legislative commission on waste management under chapter 115A; and

(j) Grants by the agency to study the extent of contamination and feasibility of cleanup of hazardous substances and pollutants or contaminants in major waterways of the state-;

*(k) Acquisition of a property interest under section 27;*

*(l) Reimbursement, in an amount to be determined by the agency in each case, to a political subdivision that is not a responsible person under section 115B.03, for reasonable and necessary expenditures resulting from an emergency caused by a release or threatened release of a hazardous substance, pollutant, or contaminant; and*

*(m) Reimbursement to a political subdivision for expenditures in excess of the liability limit under section 26.*

Sec. 29. Minnesota Statutes 1988, section 115B.25, subdivision 1, is amended to read:

Subdivision 1. [~~GENERAL APPLICABILITY.~~] ~~The terms used in sections 115B.25 to 115B.37 have~~ The definitions given them in section 115B.02 and this section apply to sections 115B.25 to 115B.37.

Sec. 30. Minnesota Statutes 1988, section 115B.25, subdivision 2, is amended to read:

Subd. 2. [BOARD.] "Board" means the hazardous harmful substance injury compensation board established in section 115B.27.

Sec. 31. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

*Subd. 6a. [FACILITY.] "Facility" has the meaning given it in section 115B.02, subdivision 5.*

Sec. 32. Minnesota Statutes 1988, section 115B.25, subdivision 7, is amended to read:

Subd. 7. [FUND.] "Fund" means the ~~hazardous harmful~~ substance ~~injury~~ compensation fund established in section 115B.26.

Sec. 33. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

*Subd. 7a. [HARMFUL SUBSTANCE.] "Harmful substance" means:*

*(1) any commercial chemical designated under the Federal Water Pollution Control Act, United States Code, title 33, section 1321(b)(2)(A);*

*(2) any hazardous air pollutant listed under the Clean Air Act, United States Code, title 42, section 7412;*

*(3) any hazardous waste; and*

*(4) petroleum as defined in section 115C.02, subdivision 10.*

Sec. 34. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

*Subd. 7b. [HAZARDOUS WASTE.] "Hazardous waste" has the meaning given in section 115B.02, subdivision 9.*

Sec. 35. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

*Subd. 7c. [PERSON.] "Person" has the meaning given in section 115B.02, subdivision 12.*

Sec. 36. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

*Subd. 9. [RELEASE.] "Release" has the meaning given in section 115B.02, subdivision 15. Release does not include discharges or designed venting of petroleum from a tank allowed under rules of the pollution control agency.*

Sec. 37. Minnesota Statutes 1988, section 115B.26, is amended to read:

115B.26 [~~HAZARDOUS HARMFUL SUBSTANCE INJURY~~ COMPENSATION FUND.]

Subdivision 1. [ESTABLISHMENT.] A ~~hazardous harmful~~ substance ~~injury~~ compensation fund is established as an account in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the fund.

Subd. 2. [APPROPRIATION.] The amount necessary to pay for staff assistance, administrative services, and office space under section 115B.28, subdivision 4, and to pay claims of compensation granted by the board under sections 115B.25 to 115B.37 is appropriated to the board from the ~~hazardous harmful~~ substance ~~injury~~ compensation fund.

Subd. 3. [PAYMENT OF CLAIMS WHEN FUND INSUFFICIENT.] If the amount of the claims granted exceeds the amount in the fund, the board shall request a transfer from the general contingent account to the ~~hazardous harmful~~ substance ~~injury~~ compensation fund as provided in section 3.30. If no transfer is approved, the board shall pay the claims which have been granted in the order granted only to the extent of the money remaining in the fund. The board shall pay the remaining claims which have been granted after additional money is credited to the fund.

*Subd. 4. [FUND TRANSFER REQUEST.] At the end of each fiscal year,*

*the board shall submit a request to the petroleum tank release compensation board for transfer to the harmful substance compensation fund from the petroleum tank release cleanup fund under section 44 of an amount equal to the compensation granted by the board for claims related to petroleum releases plus administrative costs related to determination of those claims*

Sec. 38. Minnesota Statutes 1988, section 115B.27, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF BOARD.] The ~~hazardous~~ harmful substance ~~injury~~ compensation board is established. The board consists of five members who will serve part time and who will be appointed by the governor with the advice and consent of the senate. One member must be a physician knowledgeable in toxicology; one member must be a member of the bar of this state; one member must be a health professional knowledgeable in the area of ~~hazardous~~ harmful substance injuries; and two members must be members of the general public. The board shall annually elect a member to serve as chair for a term of one year. Filling of vacancies on the board and removal of members are governed by section 15.0575.

Sec. 39. Minnesota Statutes 1988, section 115B.28, subdivision 2, is amended to read:

Subd. 2. [POWERS.] In addition to exercising any powers specified in sections 115B.25 to 115B.37 or in other law, the board may:

(1) in reviewing a claim, consider any information relevant to the claim, in accordance with the evidentiary standards contained in section 115B.35;

(2) contract for consultant or other services necessary to carry out the board's duties under sections 115B.25 to 115B.37;

(3) grant reasonable partial compensation on an emergency basis pending the final decision on a claim; ~~subject to the adoption of rules by the board;~~ if the claim is one with respect to which an award will probably be made and undue hardship will result to the claimant if immediate payment is not made;

(4) limit access to information collected and maintained by the board and take any other action necessary to protect ~~privileged or confidential~~ not public data as defined in section 13.02, subdivision 8a, and protected information, in accordance with the limitations contained in section 115B.35.

Sec. 40. Minnesota Statutes 1988, section 115B.29, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL INJURY AND CERTAIN PROPERTY CLAIMS.] A person may file a claim with the board pursuant to this section for compensation for an eligible injury, or for eligible property damage ~~described in section 115B.34, subdivision 2, paragraph (a), clause (1),~~ that could reasonably have resulted from an exposure in Minnesota to a ~~hazardous~~ harmful substance released from a facility.

Sec. 41. Minnesota Statutes 1988, section 115B.30, subdivision 3, is amended to read:

Subd. 3. [TIME FOR FILING CLAIM.] (a) A claim is not eligible for compensation from the fund unless it is filed with the board within the time provided in this subdivision.

~~(a)~~ (b) A claim for compensation for personal injury must be filed within

two years after the injury and its connection to exposure to a ~~hazardous harmful~~ substance was or reasonably should have been discovered.

~~(b)~~ (c) A claim for compensation for property damage must be filed within ~~six~~ two years after the ~~damage was or reasonably should have been discovered~~ full amount of compensable losses can be determined.

(d) Notwithstanding the provisions of this subdivision, claims for compensation that would otherwise be barred by any statute of limitations provided in sections 115B.25 to 115B.37 may be filed not later than January 1, ~~1988~~ 1992.

Sec. 42. Minnesota Statutes 1988, section 115B.34, subdivision 2, is amended to read:

Subd. 2. [PROPERTY DAMAGE LOSSES.] (a) Losses compensable by the fund for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the department of health has ~~determined~~ confirmed that the remedy provides safe drinking water and advised that the water is ~~contaminated~~ not be used for drinking or has included the property in a well advisory area and has ~~certified~~ determined that the replacement or decontamination of the source of drinking water ~~effectively has or will eliminate the contamination~~ was necessary, up to a maximum of \$25,000; ~~and~~

(2) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000-; and

(3) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000.

(b) In computation of the loss under paragraph (a), clause (3), the board shall offset the loss by the amount of any income received by the claimant from the rental of the property.

~~(b)~~ (c) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a ~~hazardous harmful~~ substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

~~(e)~~ (d) Appraisals are subject to board approval. The board may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 43. Minnesota Statutes 1988, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in sections 115C.03 to 115C.10;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04; ~~and~~

(4) for training, certification, and rulemaking under sections 116.46 to 116.50; and

(5) for reimbursement of the harmful substance compensation fund under sections 37, subdivision 4; and 44.

Sec. 44. Minnesota Statutes 1988, section 115C.08, is amended by adding a subdivision to read:

Subd. 5. [FUND TRANSFER.] *The board shall authorize the commissioner of finance to transfer to the harmful substance compensation fund the amount requested by the harmful substance compensation board under section 37, subdivision 4. Transfer of the amount must be made at the earliest practical date after authorization by the board. If the unexpended balance in the fund is less than \$1,000,000 the transfer must be made at the earliest practical date after the unexpended balance in the fund exceeds that amount.*

Sec. 45. Minnesota Statutes 1988, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [PERMITS; SOLID WASTE FACILITIES.] *(a) The agency may not issue a permit for new or additional capacity for a mixed municipal solid waste resource recovery or disposal facility as defined in section 115A.03 unless each county projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or 473.803. The agency shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency shall be determined by the metropolitan council for counties in the metropolitan area and by the agency for counties outside the metropolitan area. Plans approved before January 1, 1990, need not be revised if the capacity sought in the permit is consistent with the approved plan or plans.*

*(b) The agency shall require as part of the permit application for a waste incineration facility identification of preliminary plans for ash management and ash leachate treatment or ash utilization. The permit issued by the agency shall include requirements for ash management and ash leachate treatment.*

Sec. 46. Minnesota Statutes 1988, section 466.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] *(a) Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed:*

(a) (1) \$200,000 when the claim is one for death by wrongful act or omission and \$200,000 to any claimant in any other case;

(b) (2) \$600,000 for any number of claims arising out of a single occurrence; or

(c) (3) twice the limits provided in clauses (a) (1) and (b), but not less than \$300,000 per claim; (2) when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 115B.01 to 115B.15 or under any other law.

(b) No award for damages on any such claim shall include punitive damages.

Sec. 47. Minnesota Statutes 1988, section 473.149, subdivision 2d, is amended to read:

Subd. 2d. [LAND DISPOSAL ABATEMENT PLAN.] By January 1, 1985, (a) After considering any county land disposal abatement proposals and waste stream analysis that have been submitted by that date, pursuant to under section 473.803, subdivision 1b, the council shall amend its policy plan to include specific and quantifiable metropolitan objectives for abating to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste and of specific components of the solid waste stream, including residuals and ash, either by type of waste or class of generator.

(b) The objectives must be stated in annual increments through the year 1990 and thereafter in five-year increments through the year 2000 for a period of at least 20 years from the date of adoption of policy plan revisions. The plan must include a reduced estimate of the capacity, based on the council's abatement objectives, needed for the disposal of various types of waste in each five-year increment and the general area of the region where the capacity should be developed. The plan must include a reduced estimate, based on the council's abatement objectives, of the added solid waste disposal capacity needed in appropriate sectors of the metropolitan area, stated in annual increments through the year 1990 and thereafter in five year increments through the year 2000.

(c) The plan must include objectives for waste reduction and measurable objectives for local abatement of solid waste through resource recovery and waste reduction, recycling, and source separation programs and activities for each metropolitan county and for cities of the first class, the second class, and the third class, respectively, stated in annual increments through the year 1990 and in five-year increments through the year 2000 for a period of at least 20 years.

(d) The standards must be based upon and implement the council's metropolitan abatement objectives. The council's plan must include standards and procedures to be used by the council in determining whether a metropolitan county or class of cities within a metropolitan county has implemented the council's metropolitan land disposal abatement plan and has achieved the objectives for local abatement.

Sec. 48. Minnesota Statutes 1988, section 473.149, subdivision 2c, is amended to read:

Subd. 2c. [SOLID WASTE DISPOSAL FACILITIES DEVELOPMENT SCHEDULE.] (a) By January 1, 1985, after requesting and considering recommendations from the counties, cities, and towns, the council as part



of its policy plan shall determine the number of sites and the capacity of sites to be acquired within each metropolitan county for solid waste disposal facilities in accordance with section 473.833.

(b) The council shall adopt a schedule of disposal capacity to be developed in each county through the year 2000. The schedule may not allow capacity in excess of the council's reduced estimate of the disposal capacity needed because of the council's land disposal abatement plan, except as the council deems necessary to allow reallocation of capacity as required by this subdivision.

(c) The council shall make the implementation of elements of the schedule, including the disposal capacity allocated to each county, contingent on actions of each county and class of city in that county in adopting and implementing abatement plans pursuant to section 473.803, subdivision 1b. The council shall review the development schedule every year and shall revise the development schedule and the allocation of disposal capacity required for each county based on the progress made in that county in the implementation of the council's abatement plans and achievement of metropolitan and local abatement objectives. *The council shall review and revise, by resolution following public hearing, the development schedule and the allocation of disposal capacity required based on significant changes in the landfill capacity of the metropolitan area. The schedule must include procedures and criteria for making revisions. A site for which an environmental impact statement was being prepared as of January 1, 1989, under section 473.833, subdivision 2a, and that is not selected under section 473.833, subdivision 3, must be eliminated from the inventory of solid waste disposal sites established under section 473.149, subdivision 2b, and may not be considered as a waste disposal site in the future.*

(d) The schedule may include procedures to be used by counties in selecting sites for acquisition pursuant to section 473.833. The schedule must include standards and procedures for council certification of need pursuant to section 473.823. The schedule must include a facility closure schedule and plans for postclosure management and disposition, for the use of property after acquisition and before facility development, and for the disposition of property and development rights, as defined in section 473.833, no longer needed for disposal facilities. The schedule must also include a closure schedule and plans for postclosure management for facilities in existence before the adoption of the development schedule.

Sec. 49. Minnesota Statutes 1988, section 473.149, is amended by adding a subdivision to read:

*Subd. 2f. [FUTURE SOLID WASTE DISPOSAL CAPACITY.] The council, as part of its policy plan, shall determine the number and capacity of solid waste disposal sites needed in the metropolitan area, including sites for disposal of solid waste residuals and ash, for a period of at least 20 years from the date of adoption of policy plan revisions. The plan must include a reduced estimate of capacity, based on the council's waste abatement objectives, needed for the disposal of various types of waste in five-year increments and the general area of the metropolitan area where the capacity should be developed.*

Sec. 50. Minnesota Statutes 1988, section 473.803, is amended by adding a subdivision to read:

*Subd. 2a. [WASTE ABATEMENT.] The council may require any county*

*that fails to meet the waste abatement objectives contained in the council's policy plan to amend its master plan to address methods to achieve the objectives. The master plan amendment is subject to council review and approval as provided in subdivision 2 and must consider at least:*

- (1) minimum recycling service levels for solid waste generators;*
- (2) mandatory generator participation in recycling programs including separation of recyclable material from mixed municipal solid waste;*
- (3) use of organized solid waste collection under section 115A.94; and*
- (4) waste abatement participation incentives including provision of storage bins, weekly collection of recyclable material, expansion of the types of recyclable material for collection, collection of recyclable material on the same day as collection of solid waste, and financial incentives such as basing charges to generators for waste collection services on the volume of waste generated and discounting collection charges for generators who separate recyclable material for collection separate from their solid waste.*

Sec. 51. [473.8061] [ELIMINATION OF SOLID WASTE DISPOSAL SITE INVENTORY.]

*The inventory of sites suitable for mixed municipal solid waste disposal facilities under sections 473.803, subdivision 1a, and 473.806, is eliminated and metropolitan counties may release the proposed sites.*

Sec. 52. Minnesota Statutes 1988, section 473.811, subdivision 1a, is amended to read:

Subd. 1a. [RIGHT OF ACCESS.] Whenever the county or county site selection authority deems it necessary to the evaluation of a waste facility for enforcement purposes ~~or to the evaluation of a site or buffer area for inclusion in the inventory of disposal sites pursuant to section 473.149, subdivision 2b, and section 473.803, subdivision 1a;~~ or for selection or final acquisition under section 473.833, or for the accomplishment of any other purpose under sections 473.149, 473.153, and 473.801 to 473.834, the county, county site selection authority or any member, employee, or agent thereof, when authorized by it, may enter upon any property, public or private, for the purpose of obtaining information or conducting surveys or investigations, provided that the entrance and activity is undertaken after reasonable notice and during normal business hours and provided that compensation is made for any damage to the property caused by the entrance and activity.

Sec. 53. Minnesota Statutes 1988, section 473.823, subdivision 3, is amended to read:

Subd. 3. [SOLID WASTE FACILITIES; REVIEW PROCEDURES.] (a) The agency shall request applicants for solid waste facility permits to submit all information deemed relevant by the council to its review, including without limitation information relating to the geographic areas and population served, the need, the effect on existing facilities and services, *the effectiveness of proposed buffer areas to ensure, at a minimum, protection of surrounding land uses from adverse or incompatible impacts due to landfill operation and related activities,* the anticipated public cost and benefit, the anticipated rates and charges, the manner of financing, the effect on metropolitan plans and development programs, the supply of waste, anticipated markets for any product, and alternative means of disposal or energy production. ~~No~~

(b) A permit may *not* be issued for the operation of a solid waste facility in the metropolitan area which is not in accordance with the metropolitan council's solid waste policy plan. The metropolitan council shall determine whether a permit is in accordance with the policy plan. In making its determination, the council shall consider the areawide need and benefit of the applicant facility *and the effectiveness of proposed buffer areas to adequately protect surrounding land uses in accordance with its policy plan*, and may consider, without limitation, the effect of the applicant facility on existing and planned solid waste facilities described in a waste control commission implementation plan or county report or master plan.

(c) If the council determines that a permit is in accordance with its policy plan, the council shall approve the permit. If the council determines that a permit is not in accordance with its policy plan, it shall disapprove the permit. The council's approval of permits may be subject to conditions necessary to satisfy criteria and standards in its policy plan, including conditions respecting the type, character, and quantities of waste to be processed at a solid waste facility used primarily for resource recovery and the geographic territory from which a resource recovery facility or transfer station serving such a facility may draw its waste.

(d) For the purpose of this review and approval by the council, the agency shall send a copy of each permit application and any supporting information furnished by the applicant to the metropolitan council within 15 days after receipt of the application and all other information requested from the applicant. Within 60 days after the application and supporting information are received by the council, unless a time extension is authorized by the agency, the council shall issue to the agency in writing its determination whether the permit is disapproved, approved, or approved with conditions. If the council does not issue its determination to the agency within the 60-day period, unless a time extension is authorized by the agency, the permit shall be deemed to be in accordance with the council's policy plan. ~~No~~

(e) A permit ~~shall~~ *may not* be issued in the metropolitan area for a solid waste facility used primarily for resource recovery or a transfer station serving ~~such a~~ *the* facility, if the facility or station is owned or operated by a public agency or if the acquisition or betterment of the facility or station is secured by public funds or obligations issued by a public agency, unless the council finds and determines that adequate markets exist for the products recovered and that establishment of the facility is consistent with the criteria and standards in the metropolitan and county plans respecting the protection of existing resource recovery facilities and transfer stations serving such facilities.

Sec. 54. Minnesota Statutes 1988, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility or capacity shall be permitted in the metropolitan area without a certificate of need issued by the council indicating the council's determination that the additional disposal capacity planned for the facility is needed in the metropolitan area. The council shall amend its policy plan, adopted pursuant to section 473.149, to include standards and procedures for certifying need that conform to the certification standards stated in this subdivision. The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant

to section 473.149, subdivision 2d, the council's solid waste disposal facilities development schedule adopted under section 473.149, subdivision 2e, and the provisions of any master plans of counties that have been approved by the council under section 473.803, subdivision 2, and that are consistent with the council's abatement plan and development schedule. The council shall certify need only to the extent that there are no feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of alternatives. In its certification the council shall not consider alternatives which have been eliminated from consideration by the adoption of the inventory pursuant to section 473.149, subdivision 2b, or the selection of sites under section 473.833, subdivision 3.

Sec. 55. Minnesota Statutes 1988, section 473.831, subdivision 2, is amended to read:

Subd. 2. [USE OF PROCEEDS.] (a) The proceeds of bonds issued under subdivision 1 shall be used by the council:

~~(a)~~ (1) to provide funds for the environmental analysis of solid waste disposal sites; and

~~(b)~~ (2) to make grants to metropolitan counties to pay for: ~~(1)~~ (i) the cost of the environmental review of sites, ~~(2)~~ the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.806 is in effect, ~~(3)~~ (ii) the acquisition of permanent or temporary right, title, or interests in property, including easements and development rights, for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to sections 473.833 and 473.840, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e, and ~~(4)~~ (iii) the acquisition and improvement of resource recovery facilities; and

*(3) to reimburse a city or town that contains a solid waste disposal site identified by the council under section 473.149, subdivision 2b, for costs incurred by the city or town after publication of an environmental impact statement preparation notice for the site.*

*(b) Under paragraph (a), clause (3):*

*(1) reimbursement may not exceed \$100,000 for a city or town;*

*(2) costs eligible for reimbursement are those incurred for data collection, technical review and analysis necessary to evaluate the draft environmental impact statement prepared by the county under section 473.833, subdivision 2a, and the site selection decision made under section 473.833, subdivision 3; and*

*(3) legal fees are not eligible for reimbursement.*

*(c) If the council is required by law or rule to prepare environmental analyses on one or more solid waste disposal sites and surrounding buffer areas, the council may use the proceeds of the bonds issued under subdivision 1 to contract for consultant services in the preparation of such analyses only upon a finding that equivalent expertise is not available among its own staff.*

Sec. 56. Minnesota Statutes 1988, section 473.833, subdivision 2a, is amended to read:

Subd. 2a. [ENVIRONMENTAL IMPACT STATEMENT.] (a) Each metropolitan county shall complete an environmental impact statement on the environmental effects of the decision required by subdivision 3. The statement shall be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto under chapter 116D, except as otherwise required by section 473.149 and this section. The determination of adequacy must be made within one year following the council's adoption of the facilities development schedule pursuant to section 473.149, subdivision 2e. The statement must be consistent with the establishment of facilities in accordance with the requirements of the council's development schedule, must not address or reconsider alternatives eliminated from consideration under sections 473.149, 473.803, subdivisions 1, 1a, and 1b, and this section, and must not address matters to be determined by the council under section 473.823, subdivision 6. The statement must address matters respecting permitting under section 473.823 only to the extent deemed necessary for the siting decision required by subdivision 3.

(b) The pollution control agency and the council shall assist and advise counties in the scoping decision and the preparation notice.

(c) *The site selection authority established in subdivision 3, or the council, if it makes the selection under subdivision 3, shall prepare a record of decision, including specific findings of fact, that identifies how the environmental impact statement required by this subdivision was used by the site selection authority to make its site selection decision.*

Sec. 57. Minnesota Statutes 1988, section 473.840, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) "Qualifying property" is a parcel of real property any part of which is located within the site or buffer area of a candidate site under section 473.153, ~~or a site included in the metropolitan inventory adopted under section 473.149, subdivision 2b,~~ for the purposes of environmental review under section 473.833, subdivision 2a.

(b) An "eligible owner" is a person who: (1) owns the entire parcel of qualifying property; (2) owned the entire parcel of property at the time the site was selected as a candidate site or included in the metropolitan inventory; and (3) has not previously entered a contract under subdivision 4 for the sale of any or all of the parcel.

Sec. 58. Minnesota Statutes 1988, section 473.843, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility in the metropolitan area shall pay a fee on solid waste accepted and disposed at the facility as follows:

(a) A facility that weighs the waste that it accepts must pay a fee of ~~50 cents~~ \$2 per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility.

(b) A facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of ~~50 cents~~ \$2 per cubic yard of waste accepted at the entrance of the facility.

(c) Waste residue, from recycling facilities at which recyclable materials

are separated or processed for the purposes of recycling, or from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse, is exempt from ~~one-half~~ of the amount of fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed. To qualify for exemption under this clause, waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the council and the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 59. Minnesota Statutes 1988, 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~~ (1) *three-fourths* of the proceeds must be deposited in the landfill abatement fund established in section 473.844; and

~~(b) one-half~~ (2) *one-fourth* of the proceeds must be deposited in the metropolitan landfill contingency action fund established in section 473.845.

Sec. 60. Minnesota Statutes 1988, section 473.844, subdivision 1a, is amended to read:

Subd. 1a. [USE OF FUNDS.] (a) The money in the fund may be spent only for the following purposes:

(1) assistance to any person for resource recovery projects funded under subdivision 4 or projects to develop and coordinate markets for reusable or recyclable waste materials, including related public education, planning, and technical assistance;

(2) grants to counties under section 473.8441; and

(3) program administration by the metropolitan council;

(4) public education on solid waste reduction and recycling; and

(5) solid waste research.

(b) The council shall allocate at least 50 percent of the annual revenue received by the fund for grants to counties under section 473.8441.

Sec. 61. Minnesota Statutes 1988, section 473.8441, subdivision 5, is amended to read:

Subd. 5. [GRANT ALLOCATION PROCEDURE.] (a) The council shall distribute the funds annually so that each qualifying county receives a base amount of \$25,000 an equal share of 50 percent of the council's allocation to the program described in this section, plus a proportionate share of the remaining funds available for the program. A county's proportionate share is an amount that has the same proportion to the total remaining funds as the number of households in the county has to the total number of households in all metropolitan counties. ~~The council shall distribute the funds in two parts.~~

~~(b) The first distribution consists of the base amount plus one-third of the county's proportionate share. To qualify for the first distribution, a~~

county must submit an application for council approval before December 1, 1987. Not more than one-half of the first distribution may be spent for planning and consultants.

(e) The second distribution consists of the remaining funds available for the program. To qualify for the second distribution, a county must have received funds under the first distribution and must submit for council approval by December 1, 1988, a report on expenditures and activities under the program; a local recycling implementation strategy as required by section 473.803, subdivision 1e; and a proposed performance funding system that will allocate all of the remaining funds available under the program for recycling implementation activities in accordance with performance.

(b) To qualify for distribution of funds, a county, by August 15 of each year, must submit for council approval a report on expenditures and activities under the program during the preceding fiscal year and any proposed changes in its recycling implementation strategy or performance funding system.

Sec. 62. Minnesota Statutes 1988, section 473.845, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The metropolitan landfill contingency action fund is created as an account in the state treasury. The fund consists of revenue deposited in the fund under section 473.843, subdivision 2, clause (b); amounts recovered under subdivision 6 7; and interest earned on investment of money in the fund.

Sec. 63. Minnesota Statutes 1988, section 473.845, subdivision 2, is amended to read:

Subd. 2. [WATER SUPPLY MONITORING AND HEALTH ASSESSMENTS.] Up to ten percent of the money in the fund may be appropriated to the commissioner of health for water supply monitoring and health assessments. The commissioner shall monitor the quality of water in public water supply wells and may monitor private water supply wells in the metropolitan area that may be affected by their location in relation to a facility for mixed municipal solid waste. Testing under this subdivision must be for substances not funded under the Federal Safe Drinking Water Act. *The health assessments must be conducted in areas that may be affected by contaminants from mixed municipal solid waste facilities.*

Sec. 64. Minnesota Statutes 1988, section 473.848, is amended to read:  
473.848 [RESTRICTION ON DISPOSAL.]

Subdivision 1. [RESTRICTION.] (a) After January 1, 1990, a person may not dispose of unprocessed mixed municipal solid waste at waste disposal facilities located in the metropolitan area ~~may not accept mixed municipal solid waste for disposal~~ unless:

(1) the waste has been certified as unprocessable by a county under subdivision 2; or

(2)(i) the waste has been transferred to the disposal facility from a resource recovery facility ~~identified by the council~~;

(ii) no other resource recovery facility in the metropolitan area is capable of processing the waste; and

(iii) *the waste has been certified as unprocessable by the operator of the resource recovery facility under subdivision 3.*

(b) *For purposes of this section, mixed municipal solid waste does not include street sweepings, construction debris, mining waste, foundry sand, and other materials, if they are not capable of being processed by resource recovery as determined by the council.*

*Subd. 2. [COUNTY CERTIFICATION; COUNCIL APPROVAL.] (a) Each county that has not implemented designation of all or a portion of its mixed municipal solid waste to a resource recovery facility shall submit a semi-annual certification report to the council detailing:*

*(1) the quantity of waste generated in the county that was not processed prior to transfer to a disposal facility during the six months preceding the report;*

*(2) the reasons the waste was not processed;*

*(3) a strategy for development of techniques to ensure processing of waste including a specific timeline for implementation of those techniques; and*

*(4) any progress made by the county in reducing the amount of unprocessed waste.*

*(b) The council shall approve a county's report if it determines that the county is reducing and will continue to reduce the amount of unprocessed waste, based on the report and the county's progress in development and implementation of techniques to reduce the amount of unprocessed waste transferred to disposal facilities. If the council does not approve a county's report, it shall negotiate with the county to develop and implement specific techniques to reduce unprocessed waste. If the council does not approve three or more consecutive reports from any one county, the council shall develop specific reduction techniques that are designed for the particular needs of the county. The county shall implement those techniques by specific dates to be determined by the council.*

*Subd. 3. [FACILITY CERTIFICATION; COUNTY REPORTS.] (a) The operator of each resource recovery facility that receives waste from counties in the metropolitan area shall certify as unprocessable each load of mixed municipal solid waste it does not process. Certification must be made to each county that sends its waste to the facility at intervals specified by the county. Certification must include at least the number and size of loads certified as unprocessable and the reasons the waste is unprocessable. Loads certified as unprocessable must include the loads that would otherwise have been processed but were not processed because the facility was not in operation.*

*(b) A county that sends its waste to a resource recovery facility shall submit a semiannual report to the council detailing the quantity of waste generated within the county that was not processed during the six months preceding the report, the reasons the waste was not processed, and a strategy for reducing the amount of unprocessed mixed municipal solid waste.*

*Subd. 4. [COUNCIL REPORT.] The council shall include, as part of its report to the legislative commission on waste management required under section 473.149, an accounting of the quantity of unprocessed waste transferred to disposal facilities, the reasons the waste was not processed, a*



*strategy for reducing the amount of unprocessed waste, and progress made by counties to reduce the amount of unprocessed waste. The council may adopt standards for determining when waste is unprocessable and procedures for expediting certification and reporting of unprocessed waste.*

Sec. 65. Laws 1984, chapter 644, section 85, as amended by Laws 1987, chapter 348, section 50, is amended to read:

Sec. 85. [EFFECTIVE DATE.]

Sections 1 to 45, 48 to 51, 56 to 72, and 78 to 84 are effective the day following final enactment. Sections 46, 47, and 73 to 77 are effective January 1, 1985, except that the fees imposed in sections 46, 47, and 73 shall be effective January 1, ~~1990~~ 1991, with respect to nonhazardous solid waste from metalcasting facilities. Prior to January 1, ~~1990~~ 1991, an operator of a facility that is located in the metropolitan area for the disposal of mixed municipal solid waste shall deduct from the disposal charge for nonhazardous solid waste from metalcasting facilities the fee imposed under sections 46, 47, and 73.

Section 52 is effective for taxable years after December 31, 1983. Section 55 is effective for sales after June 30, 1984. Sections 53 and 54 are effective for taxable years after December 31, 1984.

Sec. 66. [SOLID WASTE MANAGEMENT DISTRICT; STUDY.]

*The pollution control agency shall conduct a study of the legislation authorizing the establishment of solid waste management districts, Minnesota Statutes 1988, sections 115A.62 to 115A.72, and related mechanisms, such as joint powers agreements authorized by Minnesota Statutes, section 471.59, to determine their effectiveness in the area of solid waste management. By December 1, 1989, the agency shall report its findings, together with any recommendation for legislation, to the legislative commission on waste management.*

Sec. 67. [METROPOLITAN COUNCIL; SOLID WASTE POLICY PLAN.]

*At the earliest practical date, the metropolitan council shall amend its solid waste management policy plan, required under Minnesota Statutes, section 473.149, to include a definition of buffer area as that term is used in relation to the inventory of solid waste disposal sites in section 473.149, subdivision 2b, and other related state law. The definition of buffer area must ensure, at a minimum, protection of surrounding land uses from adverse or incompatible impacts due to landfill operation and related activities.*

Sec. 68. [DISPOSAL FACILITIES IN ST. LOUIS COUNTY.]

*Notwithstanding Minnesota Statutes, section 116.07, subdivision 4g, up to ten solid waste disposal facilities in St. Louis county may come under the closure rules that were in effect prior to November 14, 1988, if the facility accepts no solid waste after May 14, 1990.*

Sec. 69. [INTERIM PERMITTING AND USE REQUIREMENTS FOR COMBUSTION OF REFUSE DERIVED FUEL.]

*Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.*

*(b) "Refuse derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces the quantity of*

*noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel fired boilers.*

(c) *“Solid fuel fired boiler” means a device that is designed to combust solid fuel, including but not limited to: wood, coal, biomass, or lignite to produce steam or heat water.*

(d) *“Minor physical or operational modifications” means physical or operational changes that do not increase the rated energy production capacity of a solid fuel fired boiler and which do not involve capital costs in excess of 20 percent of a new solid fuel fired boiler having the same rated capacity.*

**Subd. 2. [INTERIM PERMITTING AND USE OF REFUSE DERIVED FUEL.]** (a) *The provisions in this subdivision are applicable to the permitting and use of refuse derived fuel in solid fuel fired boilers for an interim period that expires on occurrence of the earliest of the following events:*

(1) *final promulgation of rules by the United States Environmental Protection Agency establishing new permitting, emissions or performance requirements for municipal waste combustion facilities;*

(2) *final promulgation of rules by the pollution control agency establishing new standards of performance for incinerators or solid waste energy recovery facilities; or*

(3) *June 30, 1991.*

(b) *Existing or new solid fuel fired boilers may utilize refuse derived fuel for up to 50 percent of their rated heat input capacity during the interim period under the following conditions:*

(1) *utilization of refuse derived fuel involves no modification or only minor modification to the solid fuel fired boiler;*

(2) *utilization of refuse derived fuel does not cause a violation of existing emissions limitations or ambient air quality standards applicable to the solid fuel fired boiler; and*

(3) *the solid fuel fired boiler has a valid permit to operate.*

**Sec. 70. [REPEALER.]**

*Minnesota Statutes 1988, sections 115A.98; 115B.29, subdivision 2; 473.149, subdivision 2b; 473.803, subdivision 1a; and 473.806, are repealed.*

**Sec. 71. [INSTRUCTION TO REVISOR.]**

*The revisor of statutes is directed to change the words “hazardous substance” whenever they appear in Minnesota Statutes 1988, sections 13.771 and 115B.28 to 115B.33, to “harmful substance” in the 1990 edition of Minnesota Statutes and subsequent editions to the statutes.*

**Sec. 72. [EFFECTIVE DATE; APPLICATION.]**

*Section 6 is effective January 1, 1990.*

*Section 25 is effective June 30, 1989.*

*Sections 26 and 46 are effective the day following final enactment and apply to all response actions initiated or pending on or after that date.*

*Section 28 is effective the day following final enactment and section 28, paragraph (l), applies to expenditures resulting from emergencies that occur after January 1, 1988.*

*Sections 51, 52, 54, and 57 are effective July 1, 1989.*

*Sections 56 and 67 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substance compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.01; 115A.02; 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.921; 115A.94, by adding subdivisions; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e, and by adding a subdivision; 473.803, by adding a subdivision; 473.811, subdivision 1a; 473.823, subdivisions 3 and 6; 473.831, subdivision 2; 473.833, subdivision 2a; 473.840, subdivision 2; 473.843, subdivisions 1 and 2; 473.844, subdivision 1a; 473.8441, subdivision 5; 473.845, subdivisions 1 and 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapters 115A and 473; repealing Minnesota Statutes 1988, sections 115A.98; 115B.29, subdivision 2; 473.149, subdivision 2b; 473.803, subdivision 1a; and 473.806."

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 referred

S.F. No. 95: A bill for an act relating to environment; requiring counties to provide an opportunity to recycle; requiring transportation of recyclable materials to processing and markets; requiring haulers of solid waste and recyclable materials to be licensed by local governments; requiring a charge for solid waste collection on a volume basis; providing financial assistance

to counties for collection, transportation, processing, handling, and secondary market development of recyclables; imposing fees for land disposal of solid waste; assessing recycling fees to property owners based on generation of solid waste; developing a recycling and waste reduction program for use in schools; establishing a recycling account; requiring public agency purchase of recycled materials; reviewing barriers to recycling in public buildings; prohibiting incineration and land disposal of recyclable materials; prioritizing incineration and land disposal of waste; authorizing local governments to prohibit and remove unauthorized deposit of solid waste; providing a plan for processing and disposal of solid waste problem materials; appropriating money; amending Minnesota Statutes 1988, sections 16B.61, by adding a subdivision; 115A.919; 115A.95; 368.01, subdivision 14; 375.19, by adding a subdivision; and 412.221, subdivision 22; proposing coding for new law in Minnesota Statutes, chapters 16B and 115A.

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

Delete everything after the enacting clause and insert:

#### “ARTICLE 1

#### RECYCLING REQUIREMENTS AND PROGRAMS

Section 1. [16B.121] [PURCHASE OF RECYCLED, REPAIRABLE, AND DURABLE MATERIALS.]

*The commissioner shall take the recycled content and recyclability of commodities to be purchased into consideration in bid specifications. The commissioner shall apply weighting factors to the recycled content and recyclability criteria in order to give a preferential treatment to those criteria. State agencies shall purchase recycled materials when specifications allow the practical use of the recycled materials and the price does not exceed the price of nonrecycled materials by more than ten percent. If possible, state agencies should purchase materials recycled from waste generated in this state.*

Sec. 2. [16B.122] [PURCHASE OF PAPER STOCK.]

*Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.*

*(a) “Office paper” means notepads, loose-leaf fillers, tablets, and other paper commonly used in offices.*

*(b) “Practicable” means capable of being used, consistent with performance, in accordance with applicable specifications, and availability within a reasonable time.*

*(c) “Printing paper” means paper designed for printing, other than newsprint, such as offset and publication paper.*

*(d) “Public agency” means the state, an office, agency, or institution of the state, a county, a statutory or home rule charter city, a town, a school district, another special taxing district, or any contractor acting pursuant to a contract with a public agency.*

*(e) “Uncoated” means not coated with plastic, clay, or other material used to create a glossy finish.*

*Subd. 2. [PURCHASE REQUIRED.] A public agency shall purchase uncoated office paper and printing paper whenever practicable.*

Sec. 3. Minnesota Statutes 1988, section 115A.03, subdivision 25a, is amended to read:

Subd. 25a. "Recyclable materials" means materials that are separated from mixed municipal solid waste for the purpose of recycling, including paper, glass, *plastics*, metals, automobile oil, and batteries. Refuse derived fuel or other material that is destroyed by incineration is not a recyclable material.

Sec. 4. Minnesota Statutes 1988, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGEMENT.]

(a) The chair of the board shall establish a solid waste management advisory council and a hazardous waste management planning council broadly representative of the geographic areas and interests of the state.

(b) The ~~councils~~ *solid waste council* shall have not less than nine nor more than ~~18~~ *21* members ~~each~~. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least *three members experienced in the private recycling industry and at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery.*

(c) *The hazardous waste council shall have not less than nine nor more than 18 members.* The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms.

(d) The chairs of the advisory councils shall be appointed by the chair of the board. The chair of the board shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the chair of the board. The solid waste advisory council shall make recommendations to the board on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the board on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the chair of the board. The solid waste management advisory council and the hazardous waste management planning council expire as provided in section 15.059, subdivision 5.

Sec. 5. Minnesota Statutes 1988, section 115A.15, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] (a) By January 1 of each odd-numbered year, the commissioner of administration shall submit a report to the governor and to the legislative commission summarizing past activities and proposed goals of the program for the following biennium. *The report shall include at least:*

(1) *a summary list of product and commodity purchases that contain recycled materials;*

(2) *the results of any performance tests conducted on recycled products*

*and agencies' experience with recycled products used;*

*(3) a list of all organizations participating in and using the cooperative purchasing program; and*

*(4) a list of products and commodities purchased for their recyclability and of recycled products reviewed for purchase.*

*(b) By July 1 of each even-numbered year commissioner of the pollution control agency and the commissioner of public service shall submit recommendations to the commissioner regarding the operation of the program.*

Sec. 6. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

*Subd. 7. [WASTE REDUCTION PROCUREMENT MODEL.] To reduce the amount of solid waste generated by the state and to provide a model for other public and private procurement systems, the commissioner, in cooperation with the chair of the waste management board, shall develop waste reduction procurement programs, including an expanded life cycle costing system for procurement of durable and repairable items. On implementation of the model procurement system, the commissioner, in cooperation with the chair of the waste management board, shall develop and distribute informational materials for the purpose of promoting the procurement model to other public and private entities under article 4, section 1, subdivision 4.*

Sec. 7. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

*Subd. 8. [RECYCLED MATERIALS PURCHASING.] The commissioner of administration shall develop and implement a cooperative purchasing program under section 471.59 to include state agencies, local governmental units, and, where feasible, other state governments and the federal government, for the purpose of purchasing materials made from recycled materials. By January 1, 1991, the commissioner shall develop a program to promote the cooperative purchasing program to those units of government and other persons.*

Sec. 8. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

*Subd. 9. [RECYCLING GOAL.] By January 1, 1993, the commissioner shall recycle at least 40 percent by weight of the solid waste generated by state offices and other operations located in the metropolitan area. The commissioner must keep records of the recycling and composting operation and share them annually with the metropolitan council and counties to assist the council and the counties in their data collection efforts.*

Sec. 9. [115A.151] [STATE AND LOCAL FACILITIES.]

*By July 1, 1990, a state agency or local unit of government or school district in the metropolitan area or by July 1, 1992, a state agency or local unit of government or school district outside of the metropolitan area shall:*

*(1) ensure that facilities under its control, from which mixed municipal solid waste is collected, have containers for at least four recyclable materials; and*

*(2) transfer all recyclable materials collected to a recycler.*

Sec. 10. Minnesota Statutes 1988, section 115A.48, subdivision 3, is amended to read:

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. *Political subdivisions, educational institutions, and other public agencies shall aggressively pursue procurement practices that encourage solid waste reduction, recycling, and development of markets for recyclable materials and compost and shall, whenever practical, procure products containing recycled materials.*

Sec. 11. Minnesota Statutes 1988, section 115A.48, is amended by adding a subdivision to read:

Subd. 4. [RECYCLABLE MATERIAL MARKET DEVELOPMENT.] (a) *The board shall make grants and loans and shall provide technical assistance to persons for research and development or for the acquisition and betterment of projects that develop markets or end uses for recyclable materials. The board may use any means specified in section 115A.52 to provide technical assistance.*

(b) *A project may receive a loan for up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.*

(c) *A project may receive a grant for up to 25 percent of the capital cost of the project or \$500,000, whichever is less.*

(d) *The board shall adopt rules for the program.*

Sec. 12. [115A.551] [RECYCLING.]

Subdivision 1. [DEFINITION.] (a) *The definition in this section applies to this section.*

(b) *"Total solid waste generation" means the total by weight of:*

(1) *materials separated for recycling; and*

(2) *mixed municipal solid waste plus used oil, tires, lead acid batteries, and major appliances.*

Subd. 2. [COUNTY RECYCLING GOALS.] *By July 1, 1993, each county outside of the metropolitan area will have as a goal to recycle a minimum of 25 percent by weight of total solid waste generation; and by July 1, 1993, each county within the metropolitan area will have as a goal to recycle a minimum of 35 percent by weight of total solid waste generation. Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other law may be construed to prohibit a county from establishing a higher recycling goal.*

Subd. 3. [INTERIM GOALS; NONMETROPOLITAN COUNTIES.] *The board shall establish interim recycling goals for the nonmetropolitan counties to assist them in meeting the 1993 goals, established in subdivision 2.*

Subd. 4. [INTERIM MONITORING.] *The board, for counties outside of the metropolitan area, and the metropolitan council, for counties within the metropolitan area, shall monitor the progress of each county toward*

*meeting the recycling goal in subdivision 2 and shall report to the legislative commission on waste management on the progress of the counties by November 1 of each year. If the board or the council finds that a county is not progressing toward the goal in subdivision 2, it shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in meeting the goal, such as organized collection, curbside collection of source-separated materials, and volume-based pricing.*

*Subd. 5. [FAILURE TO MEET GOAL.] (a) A county failing to meet the interim goals in subdivision 3 shall, as a minimum:*

*(1) notify county residents of the failure to achieve the goal and why the goal was not achieved; and*

*(2) provide county residents with information on recycling programs offered by the county.*

*(b) If, based on the recycling monitoring described in subdivision 4, the board or the metropolitan council finds that a county will be unable to meet the recycling goal established in subdivision 2, the board or council shall, after consideration of the reasons for the county's inability to meet the goal, recommend legislation for consideration by the legislative commission on waste management to establish mandatory recycling standards and to authorize the board or council to mandate appropriate solid waste management techniques designed to meet the standards in those counties that are unable to meet the goal.*

*Subd. 6. [COUNTY SOLID WASTE PLANS.] Each county shall include in its solid waste management plan described in section 115A.46, or its solid waste master plan described in section 473.803, a plan for implementing the recycling goal established in subdivision 2 along with mechanisms for providing financial incentives to solid waste generators to reduce the amount of waste generated and to separate recyclable materials from the waste stream. The recycling plan must include detailed recycling implementation information to form the basis for the strategy required in subdivision 7.*

*Each county required to submit its plan to the board under section 115A.46 shall amend its plan to comply with this subdivision within one year after the effective date of this section.*

*Subd. 7. [RECYCLING IMPLEMENTATION STRATEGY.] Within one year of board approval of the portion of the plan required in subdivision 6, each nonmetropolitan county shall submit for board approval a local recycling implementation strategy. The local recycling implementation strategy must:*

*(1) be consistent with the approved county solid waste management plan;*

*(2) identify the materials that are being and will be recycled in the county to meet the goals under this section and the parties responsible and methods for recycling the material; and*

*(3) define the need for funds to ensure continuation of local recycling, methods of raising and allocating such funds, and permanent sources and levels of local funding for recycling.*

**Sec. 13. [115A.552] [OPPORTUNITY TO RECYCLE.]**

*Subdivision 1. [COUNTY REQUIREMENT.] Counties shall ensure that*



*residents have an opportunity to recycle. At least one recycling center shall be available in each county. Opportunity to recycle means availability of recycling and curbside pickup or collection centers for recyclable materials at sites that are convenient for persons to use. Counties shall also provide for the recycling of problem materials and major appliances.*

*Subd. 2. [RECYCLING OPPORTUNITIES.] An opportunity to recycle must include:*

*(1) a local recycling center in the county and sites for collecting recyclable materials that are located in areas convenient for persons to use them;*

*(2) curbside pickup, centralized dropoff, or a local recycling center for at least four kinds of recyclable materials in cities with a population of 5,000 or more persons; and*

*(3) monthly pickup of at least four recyclable materials in cities of the first and second class and cities with 5,000 or more population in the metropolitan area.*

*Subd. 3. [RECYCLING INFORMATION, EDUCATION, AND PROMOTION.] (a) Each county shall provide information on how, when, and where materials may be recycled, including a promotional program that publishes notices at least once every three months and encourages source separation of residential, commercial, industrial, and institutional materials.*

*(b) The board shall develop materials for counties to use in providing information on and promotion of recycling.*

*(c) The board shall provide technical assistance to counties to help counties implement recycling programs.*

**Sec. 14. [115A.553] [COLLECTION AND TRANSPORTATION OF RECYCLABLE MATERIALS.]**

*Subdivision 1. [COLLECTION CENTERS AND TRANSPORTATION REQUIRED.] Each county must ensure alone or in conjunction with other counties that materials separated for recycling are taken to markets for sale or to recyclable material processing centers.*

*Subd. 2. [LICENSING OF RECYCLABLE MATERIALS COLLECTION.] Counties may require county or municipal licenses for collection of recyclable materials.*

*Subd. 3. [TRANSPORTATION SYSTEMS.] The board and the commissioner of transportation shall develop an efficient transportation system for recyclable materials to reach markets and processing centers that may be used by counties. The system may include regional collection centers.*

**Sec. 15. [115A.554] [AUTHORITY OF SANITARY DISTRICTS.]**

*A sanitary district with the authority to regulate solid waste has the authority and duty of counties within the district's boundary for purposes of sections 12, 13, and 14; article 2; article 3, sections 4, 12, 15, 17, 23, and 24; and section 115A.919.*

**Sec. 16. [115A.555] [RECYCLING CENTER DESIGNATION.]**

*The board shall designate recycling centers for the purpose of section 18. To be designated as a recycling center, a recycling facility must be open a minimum of 12 operating hours each week, 12 months each year, and must accept for recycling at least four different materials such as*

*paper, glass, plastic, and metal.*

Sec. 17. Minnesota Statutes 1988, section 116K.04, is amended by adding a subdivision to read:

*Subd. 6. [MODEL ZONING CRITERIA.] The waste management board shall, in consultation with the advisory council on state and local relations, develop and disseminate model zoning criteria for use by local units of government in siting recycling facilities.*

Sec. 18. [173.086] [RECYCLING CENTER SIGNS.]

*Subdivision 1. [AUTHORITY TO ERECT.] A recycling facility that has complied with the permitting rules of the waste management board and has been designated a recycling center by the agency under section 5 may erect a recycling center sign upon payment of a fee to the department of transportation or to the local road authority required to cover all costs of fabrication and installation of the signs.*

*Subd. 2. [SIGN STANDARDS.] The department of transportation shall design and manufacture the recycling center sign to specifications not contrary to other federal and state highway sign standards. The sign must contain the international three arrow recycling symbol followed by the words "recycling center."*

*Subd. 3. [LOCATION.] Each local road authority shall permit recycling center signs to be located on roads in its jurisdiction, subject to sign placement and distance requirements of the local authority in conformance with standard policies for placement of signs for other traffic generators.*

Sec. 19. [REPORT ON RECYCLING IN PUBLIC BUILDINGS.]

*The commissioner of administration and the commissioner of public safety shall review the availability of the opportunity to recycle in buildings, including those in the capitol area, and address barriers to recycling systems that may be caused by building, safety, and fire codes and historical preservation. The commissioners shall prepare a report on the barriers to recycling systems and the progress in overcoming the barriers and submit it to the legislative commission on waste management by November 1, 1990.*

Sec. 20. [EFFECTIVE DATE.]

*Section 13 is effective April 1, 1990.*

## ARTICLE 2

### REVENUE FOR RECYCLING AND SOLID WASTE PROGRAMS

Section 1. [115A.557] [COUNTY WASTE REDUCTION AND RECYCLING FUNDING.]

*Subdivision 1. [DISTRIBUTION; FORMULA.] Any funds appropriated to the board for the purpose of distribution to counties under this section must be annually distributed by the board based on population, except a county may not receive less than \$50,000 annually nor more than \$1,800,000 annually. For purposes of this subdivision, "population" has the definition given in section 477A.011, subdivision 3.*

*Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] A county receiving money distributed by the board under this section may use the money only for the development and implementation of programs to:*

- (1) reduce the amount of solid waste generated;
- (2) recycle the maximum amount of solid waste technically feasible;
- (3) create and support markets for recycled products;
- (4) remove problem materials from the solid waste stream and develop proper disposal options for them;
- (5) inform and educate all sectors of the public about proper solid waste management procedures;
- (6) provide technical assistance to public and private entities to ensure proper solid waste management; and
- (7) provide educational, technical, and financial assistance for litter prevention.

*Subd. 3. [ELIGIBILITY TO RECEIVE MONEY.] (a) To be eligible to receive money distributed by the board under this section, a county shall within one year of the effective date of this section:*

- (1) create a separate account in its general fund in which to deposit the money; and
- (2) set up accounting procedures to ensure that money in the separate account is spent only for the purposes in subdivision 2.

*(b) In each following year, each county shall also:*

- (1) have in place an approved solid waste management plan or master plan including a recycling implementation strategy under article 1, section 12, subdivision 7, or section 473.803, subdivision 1e, and a household hazardous waste management plan under article 3, section 15, by the dates specified in those provisions; and
- (2) submit a report by August 1 of each year to the board detailing how the money was spent and the resulting gains achieved in solid waste management practices during the previous fiscal year.

*Subd. 4. [REPORT.] By November 1 of each year, the board shall report on how the money was spent and the resulting statewide improvements in solid waste management to the house of representatives and senate appropriations and finance committees and the legislative commission on waste management.*

Sec. 2. Minnesota Statutes 1988, section 115A.919, is amended to read:

**115A.919 [COUNTY FEE AUTHORITY SOLID WASTE DISPOSAL FEES.]**

*Subdivision 1. [COUNTY LANDFILL ABATEMENT FEE.] A county may shall impose a fee of at least \$1, by cubic yard of waste or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste accepted by operators of disposal facilities located within the county. The portion of the fee in excess of \$1 may be reduced for resource recovery facility waste as provided in subdivision 4. The revenue from the fee must be used for the purposes described in subdivision 3. The fee in this subdivision does not apply to ash placed in disposal facilities owned and operated by private businesses.*

*Subd. 2. [COLLECTION OF FEES.] (a) The fee under subdivision 1 shall be collected by an operator of a disposal facility and is in addition*

to the city or town fee imposed under section 115A.921.

(b) *The operator of a facility for the disposal of mixed municipal solid waste shall collect the fee imposed by counties under subdivision 1. At least once per month the operator of the disposal facility shall:*

(1) *remit the fee collected under subdivision 1 to the county treasurer of the county where the facility is located; and*

(2) *report the amount of solid waste that was collected by the facility to the commissioner of revenue and the county treasurer.*

*Subd. 3. [USE OF COUNTY FEE.] The revenue from the county fees shall be credited to the county general fund and shall be used only for landfill abatement purposes, including providing county residents with the opportunity to recycle, 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. [REDUCTION OF COUNTY FEE FOR RESOURCE RECOVERY FACILITY WASTE.] 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 subdivision 1 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. 3. Minnesota Statutes 1988, section 116P.13, is amended to read:  
116P.13 [MINNESOTA FUTURE RESOURCES ACCOUNT.]

*Subdivision 1. [REVENUE SOURCES.] The money in the Minnesota future resources account consists of revenue credited under section 297.13, subdivision 1, clause (1); and section 297A.44, subdivision 1, paragraph (d).*

*Subd. 2. [INTEREST.] The interest attributable to the investment of the Minnesota future resources account must be credited to the account.*

*Subd. 3. [REVENUE PURPOSES.] Revenue in the Minnesota future resources account may be spent for purposes of natural resources acceleration and outdoor recreation, including but not limited to the development, maintenance, and operation of the state outdoor recreation system under chapter 86A and regional recreation open space systems as defined under section 473.351, subdivision 1; except that revenue credited under section 297A.44, subdivision 1, paragraph (d), must be spent for research on recycling and to develop markets for recyclables.*

Sec. 4. Minnesota Statutes 1988, section 275.51, subdivision 1, is amended to read:

*Subdivision 1. Notwithstanding any provisions of law or municipal charter to the contrary which authorize ad valorem levies in excess of the limitations established by sections 275.50 to 275.56, but subject to section 275.56, the provisions of this section shall apply to the levies by governmental subdivisions for all purposes other than those for which special levies and special assessments are made, and for solid waste abatement purposes under chapters 115A, 400, and 473 and landfill maintenance responsibilities including closure and postclosure care.*

Sec. 5. Minnesota Statutes 1988, 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, inmates, or persons residing at hospitals, sanitariums, nursing homes, senior citizens homes, and correctional, detention, and detoxification facilities, 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, nursing homes, boarding care homes, sanitariums, group homes, and correctional, detention, and detoxification facilities, who are required to eat with the patients, residents, or inmates residing in them. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food sold in vending machines;

(ix) party trays prepared by the retailers: and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events 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 not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1;

(v) pet grooming services; ~~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 partnership or association for another partnership or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes; and

(vii) *solid waste collection and disposal services as described in section 8;*

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(l) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under.

Sec. 6. Minnesota Statutes 1988, section 297A.02, is amended by adding a subdivision to read:

*Subd. 5. [SOLID WASTE COLLECTION AND DISPOSAL SERVICES.] Notwithstanding the provisions of subdivision 1, for solid waste collection and disposal services the excise tax rate imposed is four percent.*

Sec. 7. Minnesota Statutes 1988, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b) and, (c), and (d), all revenues, including interest and penalties, derived from the excise

and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic development 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 297A.01, subdivision 3, paragraphs (d) and (l), 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 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) *The revenues, including interest and penalties, derived from the taxes imposed on solid waste collection services as described in section 8 shall be deposited by the commissioner in the state treasury and credited as follows: 97 percent must be credited to a solid waste reduction and recycling account; three percent must be credited to the Minnesota future resources account.*

#### Sec. 8. [297A.45] [SOLID WASTE COLLECTION AND DISPOSAL SERVICES.]

*Subdivision 1. [APPLICATION.] The tax imposed by section 297A.02 applies to all public and private mixed municipal solid waste collection and disposal services. Notwithstanding section 297A.25, subdivision 11, a political subdivision that purchases collection or disposal services on behalf of its citizens shall pay the tax. A political subdivision that provides collection or disposal services to its citizens without a direct charge to the citizens for the service shall pay the tax based on the cost to the political subdivision of providing the service.*

*Subd. 2. [EXEMPTION.] The cost of a service or the portion of a service to collect recyclable materials separated from mixed municipal solid waste by the waste generator is exempt from the tax imposed in section 297A.02.*

### ARTICLE 3

#### SOLID WASTE COLLECTION AND DISPOSAL

Section 1. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

*Subd. 17a. [MAJOR APPLIANCES.] "Major appliances" means clothes washers and dryers, dishwashers, hot water heaters, garbage disposals, trash compactors, conventional ovens, ranges and stoves, air conditioners,*



*refrigerators, and freezers.*

Sec. 2. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

*Subd. 24a. [PROBLEM MATERIAL.] "Problem material" means a material that, when it is processed or disposed of with mixed municipal solid waste, contributes to one of the following results:*

*(1) the release of a hazardous substance, or pollutant or contaminant, as defined in section 115B.02, subdivisions 8, 13, and 15;*

*(2) pollution of water as defined in section 115.01, subdivision 5;*

*(3) air pollution as defined in section 116.06, subdivision 3; or*

*(4) a significant threat to the safe or efficient operation of a solid waste processing facility.*

Sec. 3. Minnesota Statutes 1988, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address at least waste reduction, separation, and resource recovery; ~~and~~; shall include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste; *and shall describe proposed mechanisms for complying with the recycling requirements of article 1, section 12, and the household hazardous waste management requirements of section 15.* The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established. The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the

use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 4. Minnesota Statutes 1988, section 115A.46, is amended by adding a subdivision to read:

*Subd. 4. [DELEGATION; SOLID WASTE RESPONSIBILITIES.] A county or a solid waste management district established under sections 115A.62 to 115A.72 may not delegate to another governmental unit or other person any portion of its responsibility for solid waste management unless it establishes a funding mechanism to assure the ability of the entity to which it delegates responsibility to adequately carry out the responsibility delegated.*

Sec. 5. [115A.55] [SOLID WASTE REDUCTION.]

*Subdivision 1. [BOARD COORDINATION.] The board shall develop and coordinate solid waste reduction programs to include at least public education, promotion of waste reduction, and technical and financial assistance to solid waste generators.*

*Subd. 2. [TECHNICAL ASSISTANCE.] The board shall provide technical assistance to solid waste generators to enable the waste generators to implement programs or methods to reduce the amount of solid waste generated. The board may use any means specified in section 115A.52 to provide technical assistance.*

*Subd. 3. [FINANCIAL ASSISTANCE.] (a) The board shall make loans and grants to any person for the purpose of developing and implementing projects or practices to prevent or reduce the generation of solid waste including those that involve reuse of items in their original form or procuring, using, or producing products with long useful lives. Grants may be used to fund studies needed to determine the technical and financial feasibility of a waste reduction project or practice or for the cost of implementation of a waste reduction project or practice that the board has determined is technically and financially feasible.*

*(b) In making grants or loans, the board shall give priority to waste reduction projects or practices that have broad application in the state and that have the potential for significant reduction of the amount of waste generated.*

*(c) All information developed as a result of a grant or loan shall be made available to other solid waste generators through the public information program established in subdivision 2.*

*(d) The board shall adopt rules for the administration of this program. Board rules must prescribe the level or levels of matching funds required for grants or loans under this subdivision.*

Sec. 6. Minnesota Statutes 1988, section 115A.915, is amended to read:

115A.915 [LEAD ACID BATTERIES; LAND DISPOSAL PROHIBITED.]

A person may not place a lead acid battery in mixed municipal solid waste or dispose of a lead acid battery after January 1, 1988. A person who violates this section is guilty of a misdemeanor. This section may be enforced by the agency pursuant to section 115.071.

Sec. 7. [115A.9152] [TRANSPORTATION OF USED LEAD ACID

**BATTERIES.]**

*(a) A person who transports used lead acid batteries from a retailer must deliver the batteries to a recycling facility.*

*(b) A person who violates paragraph (a) is guilty of a misdemeanor. The failure to deliver each used lead acid battery to a recycler is a separate violation.*

**Sec. 8. [115A.93] [LICENSING OF SOLID WASTE COLLECTION.]**

*Subdivision 1. [LICENSE REQUIRED.] A person may not collect mixed municipal solid waste for hire without a license from the jurisdiction where the mixed municipal solid waste is collected.*

*Subd. 2. [LICENSING.] (a) Each city and town may issue licenses for persons to collect mixed municipal solid waste for hire within their jurisdictions.*

*(b) County boards shall by resolution adopt the licensing authority of a city or town that does not issue licenses. A county may delegate its licensing authority to a consortium of counties or to municipalities to license collection of mixed municipal solid waste within the county.*

*Subd. 3. [LICENSE REQUIREMENTS.] (a) A licensing authority shall require to the extent possible that charges for collection of mixed municipal solid waste vary with the volume or weight of the waste collected.*

*(b) A licensing authority may impose requirements that are consistent with the county's solid waste policies as a condition of receiving and maintaining a license.*

**Sec. 9. [115A.945] [VISIBLE SOLID WASTE MANAGEMENT COSTS.]**

*Any political subdivision that provides or pays for the costs of collection or disposal of solid waste shall, through a billing or other system, make the prorated share of those costs for each solid waste generator visible and obvious to the generator.*

**Sec. 10. [115A.952] [RETAIL SALE OF PROBLEM MATERIALS; UNIFORM LABELING AND CONSUMER INFORMATION.]**

*Subdivision 1. [DUTIES OF AGENCY; RULES.] The agency may adopt rules to identify products that are used primarily for personal, family, or household purposes and that constitute a problem material or contain a problem material as defined in section 2. The rules may also prescribe a uniform label to be affixed by retailers of identified products as provided in subdivision 4.*

*Subd. 2. [DUTIES OF COMMISSIONER OF AGRICULTURE.] The commissioner of agriculture may adopt rules to provide consumer information and retail handling practices for pesticides, as defined in section 18B.01, subdivision 18; fertilizer material, plant amendments, and soil amendments, as defined in section 17.713; subdivisions 6, 15a, and 19; and wood preservatives.*

*Subd. 3. [PREPARATION AND SUPPLY OF MATERIALS.] The agency and the commissioner of agriculture shall prepare and the agency shall supply to retailers, without charge to the retailers, the labels and informational materials required to comply with subdivision 4. Informational materials must include specific instructions on environmentally sound ways to use identified products and to handle them when the products or their*

containers are discarded.

*Subd. 4. [DUTIES OF RETAILERS.] A person who sells or offers for sale at retail any product that is identified pursuant to rules of the agency adopted under subdivision 1 or under rules of the commissioner of agriculture under subdivision 2 shall:*

*(1) affix a uniform label as prescribed by the rules in a prominent location upon or near the display area of the product. If the adjacent display area is a shelf, the label shall be affixed to the price information for the product on the shelf;*

*(2) maintain and prominently display informational materials supplied by the agency at the location where identified products covered by the materials are sold or offered for sale; and*

*(3) comply with the handling practices required under subdivision 2.*

**Sec. 11. [115A.953] [IDENTIFICATION OF ENVIRONMENTALLY SOUND MATERIALS.]**

*The board shall prepare and submit a report to the legislature and the legislative commission on waste management by December 31, 1990, on a mechanism to indicate that products are environmentally sound.*

**Sec. 12. [115A.956] [SOLID WASTE DISPOSAL PROBLEM MATERIALS.]**

*Subdivision 1. [PROBLEM MATERIAL PROCESSING AND DISPOSAL PLAN.] The board shall develop a plan that designates problem materials and available capacity for processing and disposal of problem materials including household hazardous waste that should not be in mixed municipal solid waste.*

*Subd. 2. [PROBLEM MATERIAL SEPARATION AND COLLECTION PLAN.] After the board certifies that sufficient processing and disposal capacity is available, the board shall develop a plan for separating problem materials from mixed municipal solid waste, collecting the problem materials, and transporting the problem materials to a processing or disposal facility and may by rule prohibit the disposal of the designated problem materials in mixed municipal solid waste.*

**Sec. 13. [115A.9561] [MAJOR APPLIANCES.]**

*A person may not place major appliances in mixed municipal solid waste or dispose of major appliances in a solid waste processing or disposal facility after January 1, 1990. The agency may enforce this section pursuant to section 115.071.*

**Sec. 14. Minnesota Statutes 1988, section 115A.96, subdivision 2, is amended to read:**

**Subd. 2. [MANAGEMENT PROGRAM.]** (a) The agency shall establish a statewide program to manage household hazardous wastes. The program must include:

(1) the establishment and operation of collection sites; and

(2) the provision of information, education, and technical assistance regarding proper management of household hazardous wastes.

(b) The agency shall report on its progress on establishing permanent collection sites to the legislative commission on waste management by

November 1, 1991.

Sec. 15. Minnesota Statutes 1988, section 115A.96, is amended by adding a subdivision to read:

*Subd. 6. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT PLANS.] (a) Each county shall include in its solid waste management plan required in section 115A.46 or its solid waste master plan required in section 473.803 a household hazardous waste management plan. The plan must at least:*

- (1) include a broad based public education component;*
- (2) include a strategy for reduction of household hazardous waste; and*
- (3) address separation of household hazardous waste from mixed municipal solid waste and the collection, storage, and disposal of that waste.*

*(b) Each county required to submit its plan to the board under section 115A.46 shall amend its plan to comply with this subdivision within one year after the effective date of this section.*

*(c) Each county in the state shall implement its household hazardous waste management plan by December 31, 1991.*

Sec. 16. [115A.99] [LITTER PENALTIES AND DAMAGES.]

*Subdivision 1. [CIVIL PENALTY.] (a) A person who unlawfully places any portion of solid waste in or on public or private lands, shorelands, roadways, or waters is subject to a civil penalty of not less than twice nor more than five times the amount of cost incurred by a state agency or political subdivision to remove, process, and dispose of the waste.*

*(b) A state agency or political subdivision that incurs cost as described in this section may bring an action to recover the civil penalty, related legal, administrative, and court costs, and damages for injury to or pollution of the lands, shorelands, roadways, or waters where the waste was placed if owned or managed by the entity bringing the action.*

*Subd. 2. [DEPOSIT OF PENALTIES.] Civil penalties collected under this section must be deposited in the general fund of the jurisdiction enforcing the penalties.*

*Subd. 3. [PRIVATE ACTION FOR DAMAGES.] A private person may join an action by the state or a political subdivision to recover a civil penalty to allow the person to recover damages for waste unlawfully placed on the person's property.*

Sec. 17. [115A.991] [LITTER GRANTS.]

*The board may make grants to each county that has included in its solid waste plan required in section 115A.46, or its solid waste master plan required in section 473.803, programs to prevent, control, or abate litter. The board shall establish eligibility criteria for grants including the required level of matching funds from applicants.*

Sec. 18. Minnesota Statutes 1988, section 116.07, is amended by adding a subdivision to read:

*Subd. 4j. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT.] (a) The agency shall adopt rules to require the owner or operator of a solid waste disposal facility or resource recovery facility to submit a management plan for the separation of household hazardous waste from solid*

*waste prior to disposal or processing and for the proper disposal of the waste.*

*(b) After January 1, 1992, the agency may not grant or renew a permit for a facility that has not submitted a household hazardous waste management plan.*

**Sec. 19. [325E.035] [UNIFORM LABELING AND PACKAGING REQUIRED.]**

*It is the policy of this state to manage packaging and labeling in a uniform manner throughout the state. Political subdivisions may not adopt and are preempted from adopting or enforcing labeling or packaging requirements that are different than state law.*

Sec. 20. Minnesota Statutes 1988, section 325E.115, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGE: COLLECTION; NOTICE.] (a) A person selling lead acid batteries at retail or offering lead acid batteries for retail sale in this state shall:

(1) accept, at the point of transfer, lead acid batteries from customers;  
~~and~~

(2) charge a fee of \$5 per battery sold unless the customer returns a used battery to the retailer; and

(3) post written notice, which must be at least 8-1/2 inches by 11 inches in size and must contain the universal recycling symbol and the following language:

(i) "It is illegal to put a motor vehicle battery in the garbage.";

(ii) "Recycle your used batteries."; and

(iii) "State law requires us to accept motor vehicle batteries for recycling."

(b) Any person selling lead acid batteries at wholesale or offering lead acid batteries for sale at wholesale must accept, at the point of transfer, lead acid batteries from customers.

**Sec. 21. [325E.1151] [LEAD ACID BATTERY PURCHASE AND RETURN.]**

Subdivision 1. [PURCHASERS MUST RETURN BATTERY OR PAY \$5.] (a) A person who purchases a lead acid battery at retail must:

(1) return a lead acid battery to the retailer; or

(2) pay the retailer a \$5 surcharge.

(b) A person who has paid a \$5 surcharge under paragraph (a) must receive a \$5 refund from the retailer if the person returns a lead acid battery with a receipt for the purchase of a new battery from that retailer within 30 days after purchasing a new lead acid battery.

(c) A retailer may keep the unrefunded surcharges for lead acid batteries not returned within 30 days.

Subd. 2. [RETAILERS MUST ACCEPT BATTERIES.] (a) A person who sells lead acid batteries at retail must accept lead acid batteries from consumers and may not charge to receive the lead acid batteries. A consumer may not deliver more than five lead acid batteries to a retailer at

one time.

(b) A retailer of lead acid batteries must recycle the lead acid batteries received from consumers.

(c) A retailer who violates paragraph (b) is guilty of a misdemeanor. Each lead acid battery that is not recycled is a separate violation.

Subd. 3. [RETAILERS MUST POST NOTICES.] (a) A person who sells lead acid batteries at retail must post the notice in paragraph (b) in a manner clearly visible to a consumer making purchasing decisions.

(b) The notice must be at least 8-1/2 inches by 11 inches and contain the universal recycling symbol and state:

**"NOTICE: USED BATTERIES**

*This retailer is required to accept your used lead acid batteries, EVEN IF YOU DO NOT PURCHASE A BATTERY. When you purchase a new battery, you will be charged an additional \$5 unless you return a used battery within 30 days.*

*Improper disposal of a lead acid battery is a crime."*

Subd. 4. [NOTICES REQUIRED IN NEWSPAPER ADVERTISEMENTS.] (a) An advertisement for sale of new lead acid batteries at retail in newspapers published in this state must contain the notice in paragraph (b).

(b) The notice must state:

*"\$5 additional charge unless a used lead acid battery is returned. Improper disposal of a lead acid battery is a crime."*

Sec. 22. Minnesota Statutes 1988, section 368.01, subdivision 14, is amended to read:

Subd. 14. [HEALTH.] (a) The town board of supervisors shall have power by ordinance:

(1) to prohibit or regulate slaughterhouses;

(2) to prevent the bringing, depositing, or leaving within the town of any unwholesome substance or deposit of solid waste within the town not otherwise authorized by law, to require the owners or occupants of lands to remove unwholesome substances ~~therefrom~~ or the unauthorized deposit of solid waste and ~~in default thereof~~ if it is not removed to provide for its removal at the expense of the owner or occupant, which expense shall be a lien upon the property and may be collected as a special assessment;

(3) to provide for or regulate the disposal of sewage, garbage, and other refuse; and

(4) to provide for the cleaning of, and removal of obstructions from, any waters in the town and to prevent their obstruction or pollution.

(b) The town board may establish a board of health under section 145A.07, subdivision 2, with all the powers of such boards under the general laws.

Sec. 23. Minnesota Statutes 1988, section 375.18, is amended by adding a subdivision to read:

Subd. 14. [UNAUTHORIZED DEPOSIT OF SOLID WASTE.] *Each county board may by ordinance:*

*(1) prohibit the deposit of solid waste within the county not otherwise authorized by law;*

*(2) require the owners or occupants of property to remove the unauthorized deposit of solid waste;*

*(3) if it is not removed, provide for removal of the solid waste at the owner's or occupant's expense; and*

*(4) provide for the expense to be a lien on the property and collected as a special assessment.*

Sec. 24. Minnesota Statutes 1988, section 400.08, is amended by adding a subdivision to read:

*Subd. 5. [FINANCIAL INCENTIVES TO RECYCLE.] A county may:*

*(1) charge or may require any person who collects solid waste in the county to charge solid waste generators rates for collection or disposal that vary depending on the volume of waste generated;*

*(2) require collectors to provide financial incentives to solid waste generators who separate recyclable materials from their waste; or*

*(3) require use of any other mechanism to provide encouragement or rewards to solid waste generators who reduce their waste generation or who separate recyclable materials from their waste.*

Sec. 25. Minnesota Statutes 1988, section 412.221, subdivision 22, is amended to read:

*Subd. 22. [HEALTH.] (a) The council shall have power by ordinance:*

*(1) to prohibit or regulate slaughterhouses;*

*(2) to prevent the bringing, depositing, or leaving within the city of any unwholesome substance or deposit of solid waste within the city not otherwise authorized by law, to require the owners or occupants of lands to remove unwholesome substances ~~therefrom~~ or the unauthorized deposit of solid waste and in default thereof if it is not removed to provide for its removal at the expense of the owner or occupant, which expense shall be a lien upon the property and may be collected as a special assessment;*

*(3) to provide for or regulate the disposal of sewage, garbage, and other refuse; and*

*(4) to provide for the cleaning of, and removal of obstructions from, any waters in the city and to prevent their obstruction or pollution.*

*(b) The council may establish a board of health as defined in section 145A.02, subdivision 2, with all the powers of such boards under the general laws.*

Sec. 26. Minnesota Statutes 1988, section 473.149, subdivision 1, is amended to read:

*Subdivision 1. [POLICY PLAN; GENERAL REQUIREMENTS.] The metropolitan council shall prepare and by resolution adopt as part of its development guide a long range policy plan for solid waste management in the metropolitan area. When adopted, the plan shall be followed in the metropolitan area. The plan shall address the state policies and purposes expressed in section 115A.02. The plan shall substantially conform to all*



policy statements, purposes, goals, standards, maps and plans in development guide sections and plans adopted by the council, provided that no land shall be thereby excluded from consideration as a solid waste facility site except land determined by the agency to be intrinsically unsuitable for such use. The plan shall include goals and policies for solid waste management, *including recycling consistent with article 1, section 12, and household hazardous waste management consistent with section 15*, in the metropolitan area and, to the extent appropriate, statements and information similar to that required under section 473.146, subdivision 1. The plan shall include criteria and standards for solid waste facilities and solid waste facility sites respecting the following matters: general location; capacity; operation; processing techniques; environmental impact; effect on existing, planned, or proposed collection services and waste facilities; and economic viability. The plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plan shall include additional criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. In developing the plan the council shall consider the orderly and economic development, public and private, of the metropolitan area; the preservation and best and most economical use of land and water resources in the metropolitan area; the protection and enhancement of environmental quality; the conservation and reuse of resources and energy; the preservation and promotion of conditions conducive to efficient, competitive, and adaptable systems of waste management; and the orderly resolution of questions concerning changes in systems of waste management. Criteria and standards for solid waste facilities shall be consistent with rules adopted by the pollution control agency pursuant to chapter 116 and shall be at least as stringent as the guidelines, regulations, and standards of the federal environmental protection agency.

Sec. 27. Minnesota Statutes 1988, section 473.803, subdivision 1, is amended to read:

Subdivision 1. [COUNTY MASTER PLANS; GENERAL REQUIREMENTS.] Each metropolitan county, following adoption or revision of the council's solid waste policy plan and in accordance with the dates specified therein, and after consultation with all affected local government units, shall prepare and submit to the council for its approval, a county solid waste master plan to implement the policy plan. The master plan shall be revised and resubmitted at such times as the council's policy plan may require. The master plan shall describe county solid waste activities, functions, and facilities; the existing system of solid waste generation, collection, and processing, and disposal within the county; *proposed mechanisms for complying with the recycling requirements of article 1, section 12, and the household hazardous waste management requirements of section 15*; existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste facilities and solid waste generation, collection, and processing, and disposal; existing or proposed municipal, county, or private solid waste facilities and collection services within the county together with schedules of existing rates and charges to users and statements as to the extent to which such facilities and services will or may be used to implement the policy plan; and any solid waste

facility which the county owns or plans to acquire, construct, or improve together with statements as to the planned method, estimated cost and time of acquisition, proposed procedures for operation and maintenance of each facility; an estimate of the annual cost of operation and maintenance of each facility; an estimate of the annual gross revenues which will be received from the operation of each facility; and a proposal for the use of each facility after it is no longer needed or usable as a waste facility. The master plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the master plan shall contain criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan.

**Sec. 28. [473.804] [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT.]**

*By December 31, 1991, each metropolitan county shall develop and implement a permanent program to manage household hazardous waste. Each program must include regular collection of wastes. Each program must be consistent with the council's policy plan and must be described as part of each county's solid waste master plan revision as required under section 473.803, subdivision 1.*

**ARTICLE 4**

**WASTE EDUCATION**

Section 1. Minnesota Statutes 1988, section 115A.072, is amended to read:

**115A.072 [PUBLIC EDUCATION ON WASTE MANAGEMENT.]**

*Subdivision 1. [WASTE EDUCATION; COALITION.] (a) The board shall provide for the development and implementation of a program of general public education on waste management in cooperation and coordination with the pollution control agency, metropolitan council, department of education, department of agriculture, state planning agency, environmental quality board, environmental education board, educational institutions, and other public agencies with responsibility for waste management or public education, and three other persons who represent private industry and who have knowledge of or expertise in recycling and solid waste management issues. The objectives of the program are to: develop increased public awareness of and interest in environmentally sound waste management methods; encourage better informed decisions on waste management issues by business, industry, local governments, and the public; and disseminate practical information about ways in which households and other institutions and organizations can improve the management of waste.*

*(b) The board shall appoint an advisory task force, to be called the waste education coalition, of up to 18 members to advise the board in carrying out its responsibilities under this section and whose membership represents the agencies and entities listed in this subdivision.*

*Subd. 2. [BOARD DUTIES.] In addition to its general duties established in subdivision 1, the board shall:*

*(1) develop a statewide waste management public education campaign*

*with materials that may be easily adapted by political subdivisions to meet their program needs; and*

*(2) develop and make available to schools educational curricula on waste education for grades kindergarten to 12 to address at least waste reduction, recycling, litter, and proper management and disposal of problem materials.*

*Subd. 3. [EDUCATION GRANTS.] (a) The board shall provide grants to persons for the purpose of developing and distributing waste education information.*

*(b) The board shall provide grants and technical assistance to formal and informal education facilities to develop and implement a model program to incorporate waste reduction, recycling, litter prevention, and proper management of problem materials into educational operations.*

*(c) The board shall provide grants or awards to formal and informal education facilities to develop or implement ongoing waste reduction, recycling, litter prevention, and proper management of problem materials programs.*

*Subd. 4. [EDUCATION, PROMOTION, AND PROCUREMENT.] The board shall include waste reduction as an element of its program of public education on waste management required under section 115A.072. The waste reduction education program must include dissemination of information and may include an award program for model waste reduction efforts. Waste reduction educational efforts must also include provision of information about and promotion of the model procurement program developed by the commissioner of administration under article 1, section 6, or any other model procurement program that results in significant waste reduction.*

#### **Sec. 2. [WASTE EDUCATION CURRICULUM.]**

*The state board of education shall amend its rules adopted pursuant to Laws 1984, chapter 463, article 7, section 26, subdivisions 1 and 2, to require a waste education component developed pursuant to section 1, subdivision 2, clause (2), as part of the minimum comprehensive educational programs for both secondary and elementary levels. The amended rules adopted by the state board must go into effect beginning in the 1990-1991 school year.*

### **ARTICLE 5**

#### **WASTE SPENDING**

##### **Section 1. [MAJOR APPLIANCE DISPOSAL REPORT.]**

*The waste management board shall prepare and submit a report to the legislature and the legislative commission on waste management by January 15, 1990, on how major appliances in the state are being disposed of and should be disposed of.*

##### **Sec. 2. [SAFETY GUIDE.]**

*The pollution control agency, in cooperation with the waste management board and the metropolitan council, shall prepare and distribute to all interested persons a guide for operation of a recycling or yard waste composting facility to protect the environment and public health.*

##### **Sec. 3. [SOLID WASTE COMPOSITION STUDY.]**

*The agency, in cooperation with the board and the council, shall study and comprehensively analyze the composition of solid waste on a statewide and regional basis during each of the four seasons of the year. The study must include and not duplicate existing waste composition information previously gathered and must provide information on recyclables and non-combustibles in the waste, generation of the waste, and other solid waste characteristics. The agency shall present its findings to the legislative commission on waste management by November 1991.*

**Sec. 4. [STUDY; PURCHASE AND USE OF RECYCLED MATERIALS.]**

*The commissioner of administration shall conduct a study and evaluation of practices, procedures, and methods to ensure that state contracts and purchasing be structured to encourage the procurement and use of recycled materials and to meet the requirements of article 1, section 6.*

*By January 1, 1991, the commissioner shall develop a plan and implementation strategy based on the study and shall present it, along with any proposals for legislative action, to the legislative commission on waste management.*

**Sec. 5. [PLASTICS STUDY.]**

*The waste management board shall conduct a study on appropriate waste management of plastic material. The study shall analyze for the different types of plastic, based on resin grade:*

- (1) the trends in use and new plastics being developed;*
- (2) the impacts on waste processing technologies;*
- (3) the material composition, including heavy metals and additives;*
- (4) opportunities for reduction and recycling; and*
- (5) market development.*

*The study shall also analyze and make recommendations on the impact from the use of degradable plastics on reuse and recycling opportunities. The board shall report its findings and recommendations to the legislature by July 1, 1990.*

**ARTICLE 6**

**PESTICIDE CONTAINERS**

**Section 1. [PESTICIDE CONTAINER COLLECTION AND RECYCLING PILOT PROJECT.]**

*Subdivision 1. [PESTICIDE; DEFINITION.] For the purposes of this section, "pesticide" means a substance as defined in section 18B.01, subdivision 18.*

*Subd. 2. [PROJECT.] The department of agriculture, in consultation and cooperation with the commissioner of the pollution control agency and the waste management board, shall design and implement a pilot collection project, to be completed by June 30, 1991, to:*

- (1) collect and recycle empty, triple-rinsed pesticide containers;*
- (2) develop, demonstrate, and promote proper pesticide container management; and*
- (3) evaluate the current pesticide container management methods and*

*the cause and extent of the problems associated with pesticide containers.*

*Subd. 3. [COLLECTION AND DISPOSAL.] The department of agriculture shall provide for the establishment and operation of temporary collection sites for pesticide containers. The department of agriculture may limit the type and quantity of pesticide containers acceptable for collection.*

*Subd. 4. [INFORMATION AND EDUCATION.] The department of agriculture shall develop informational and educational materials to promote proper methods of pesticide container management.*

*Subd. 5. [REPORT.] During the pilot project, the department of agriculture shall conduct surveys and collect information on proper and improper pesticide container storage and disposal. By November 30, 1991, the department of agriculture shall report to the legislature its conclusions from the project and recommendations for additional legislation or rules governing management of pesticide containers.*

*Subd. 6. [MANAGEMENT AND DISPOSAL.] The department of agriculture or other entity collecting pesticide containers must manage and dispose of the containers in compliance with applicable federal and state requirements.*

ARTICLE 7

Section 1. [APPROPRIATIONS.]

*The following amounts are appropriated from the solid waste reduction and recycling account to the agencies and for the purposes and fiscal years specified:*

	1990	1991
<i>(a) To the waste management board:</i>		
<i>(1) for solid waste reduction programs</i>	\$ . . . . .	\$ . . . . .
<i>(2) for solid waste recycling programs</i>	\$ . . . . .	\$ . . . . .
<i>(3) for market development programs</i>	\$ . . . . .	\$ . . . . .
<i>(4) for grants for litter prevention control and abatement</i>	\$ . . . . .	\$ . . . . .
<i>(5) for public education</i>	\$ . . . . .	\$ . . . . .
<i>(6) for distribution to the counties directly for solid waste reduction and recycling</i>	\$ . . . . .	\$ . . . . .
<i>(b) To the pollution control agency:</i>		
<i>(1) for programs to identify and manage problem materials</i>	\$ . . . . .	\$ . . . . .
<i>(2) for recycling programs</i>	\$ . . . . .	\$ . . . . .
<i>(c) To the department of administration for waste reduction, procurement, and recycling</i>	\$ . . . . .	\$ . . . . .
<i>(d) To the department of agriculture for the pesticide activities</i>	\$ . . . . .	\$ . . . . .
<i>(e) To the department of revenue to administer the taxes</i>	\$ . . . . .	\$ . . . . .

*Amounts unexpended in one fiscal year are available for expenditure in the other fiscal year."*

Delete the title and insert:

“A bill for an act relating to environment; requiring counties to provide an opportunity to recycle; requiring transportation of recyclable materials to processing and markets; requiring haulers of solid waste and recyclable materials to be licensed by local governments; requiring a charge for solid waste collection on a volume basis; providing financial assistance to counties for collection, transportation, processing, handling, and secondary market development of recyclables; imposing fees for land disposal of solid waste; assessing recycling fees to property owners based on generation of solid waste; developing a recycling and waste reduction program for use in schools; establishing a recycling account; requiring public agency purchase of recycled materials; reviewing barriers to recycling in public buildings; prohibiting incineration and land disposal of recyclable materials; prioritizing incineration and land disposal of waste; authorizing local governments to prohibit and remove unauthorized deposit of solid waste; providing a plan for processing and disposal of solid waste problem materials; appropriating money; amending Minnesota Statutes 1988, sections 115A.03, subdivision 25a, and by adding subdivisions: 115A.072; 115A.12, subdivision 1; 115A.15, subdivision 5, and by adding subdivisions: 115A.46, subdivision 2, and by adding a subdivision; 115A.48, subdivision 3, and by adding a subdivision; 115A.915; 115A.919; 115A.96, subdivision 2, and by adding a subdivision; 116.07, by adding a subdivision; 116K.04, by adding a subdivision; 116P.13; 275.51, subdivision 1; 297A.01, subdivision 3; 297A.02, by adding a subdivision; 297A.44, subdivision 1; 325E.115, subdivision 1; 368.01, subdivision 14; 375.18, by adding a subdivision; 400.08, by adding a subdivision; 412.221, subdivision 22; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 173; 297A; 325E; and 473.”

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

H.F No. 300: A bill for an act relating to occupational safety and health; increasing certain penalties; proposing changes to the employee right-to-know act of 1984; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 14, 15, and by adding a subdivision; and 182.653, subdivisions 4b, 4c, and 4f; repealing Minnesota Statutes 1988, section 182.651, subdivision 16.

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 1988, section 182.651, subdivision 7, is amended to read:

Subd. 7. “Employer” means a person who ~~has~~ employs one or more employees and includes any person ~~acting~~ who has the power to hire, fire, or transfer, or who acts in the interest of, or as a representative of, an employer and includes a corporation, partnership, association, group of persons, and the state and all of its political subdivisions.

Sec. 2. Minnesota Statutes 1988, section 182.651, subdivision 16, is amended to read:

Subd. 16. (a) "Technically qualified individual" means a ~~person~~ *physician, lead research individual, pharmacist, or other class of professionals or technicians who qualify under paragraph (c)*, who, because of professional or technical education, training or experience, understands, at the time of exposure, the health risks and the necessary safety precautions associated with each hazardous substance, harmful physical agent, infectious agent or mixture handled or utilized by the person.

(b) The commissioner shall by rule adopt a standard which specifies the criteria to be considered in determining whether or not a person is a technically qualified individual *under this subdivision*.

(c) *Any statewide organization or association whose membership consists of a class of professionals or technicians not otherwise qualifying as a "technically qualified individual" under paragraph (a), may, through its authorized representative, petition the commissioner to qualify as a "technically qualified individual" under this subdivision for the purposes of chapter 182. The commissioner shall make this determination under the standards set forth in paragraph (a) and pursuant to the rules adopted under paragraph (b).*

Sec. 3. Minnesota Statutes 1988, section 182.651, is amended by adding a subdivision to read:

Subd. 20. [INFECTIOUS AGENT.] "*Infectious agent*" means a *communicable bacterium, rickettsia, parasites, virus, or fungus determined by the commissioner by rule, with approval of the commissioner of health, which according to documented medical or scientific evidence causes substantial acute or chronic illness or permanent disability as a foreseeable and direct result of any routine exposure to the infectious agent. Infectious agent does not include an agent in or on the body of a patient before diagnosis.*

Sec. 4. Minnesota Statutes 1988, section 182.653, subdivision 4f, is amended to read:

Subd. 4f. Each employer ~~who operates a hospital or clinic~~ shall provide training according to a program developed by the commissioner by rule with approval of the commissioner of health to its employees ~~who are~~ routinely exposed to an infectious agent. The training shall include the information required by the rule for that agent as developed by the commissioner and shall include, if known, names of infectious agents to which the employee is routinely exposed, proper techniques for the employee to avoid self-contamination, and symptoms and effects of contamination. Training shall be provided upon the initial assignment of the employee to a job where that person will be routinely exposed to an infectious agent. Existing in-service, hospital licensure or certification programs which the commissioner determines substantially comply with the rules adopted pursuant to this subdivision may be certified by the commissioner to satisfy all or a part of the rules. ~~"Infectious agent" means a communicable bacterium, rickettsia, parasites, virus, or fungus determined by the commissioner by rule, with approval of the commissioner of health, which according to documented medical or scientific evidence causes substantial acute or chronic illness or permanent disability as a foreseeable and direct result of any routine exposure to the infectious agent. Infectious agent does not include~~

an agent in or on the body of a patient before diagnosis.

Infectious agent does not include an agent being developed or regularly utilized by a technically qualified individual in a research, medical research, medical diagnostic or medical educational laboratory or in a health care facility or in a clinic associated with a laboratory or health care facility, or in a pharmacy registered and licensed under chapter 151.

~~Employees who have been routinely exposed to an infectious agent prior to the effective date of Laws 1983, chapter 316 and who continue to be routinely exposed to that infectious agent after the effective date of Laws 1983, chapter 316, shall be trained with respect to that infectious agent within six months of the effective date of Laws 1983, chapter 316.~~

Training to update the information required to be provided under this subdivision shall be repeated at intervals no greater than one year.

Any technically qualified individual shall be notified of and may elect to participate in any training or update programs required to be provided under this subdivision to employees who are not technically qualified individuals. The employer shall make a reasonable attempt to allow technically qualified individuals to attend training or update programs which may be held during the employee's scheduled work hours.

Sec. 5. Minnesota Statutes 1988, section 182.669, subdivision 1, is amended to read:

Subdivision 1. Any employee believed to have been discharged or otherwise discriminated against by any person because such employee has exercised any right authorized under the provisions of sections 182.65 to 182.674, may, within 30 days after such alleged discrimination occurs, file a complaint with the commissioner alleging the discriminatory act. Upon receipt of such complaint, the commissioner shall cause such investigation to be made as the commissioner deems appropriate. If upon such investigation the commissioner determines that a discriminatory act was committed against an employee the commissioner shall refer the matter to the office of administrative hearings for a hearing before an administrative law judge pursuant to the provisions of chapter 14. ~~The administrative law judge may order rehiring of the employee, reinstatement of the employee's former position, fringe benefits, seniority rights, back pay, recovery of compensatory damages, and reasonable attorney fees, or other appropriate relief. In all cases where the administrative law judge finds that an employee has been discharged or otherwise discriminated against by any person because the employee has exercised any right authorized under sections 182.65 to 182.674, the administrative law judge may order payment to the employee of back pay and compensatory damages. The administrative law judge may also order rehiring of the employee; reinstatement of the employee's former position, fringe benefits, and seniority rights; and other appropriate relief. In addition, the administrative law judge may order payment to the commissioner or to the employee of costs, disbursements, witness fees, and attorney fees. Interest shall accrue on, and be added to, the unpaid balance of an administrative law judge's order from the date the order is signed by the administrative law judge until it is paid, at the annual rate provided in section 549.09, subdivision 1, paragraph (c). An employee may bring a private action in the district court for relief under this section.~~

Sec. 6. [TRANSITION TRAINING PERIOD.]



*This section applies to employees who are subject to the training requirements of section 182.653, subdivision 4f, because of the amendment in section 4. Employees who have been routinely exposed to an infectious agent prior to August 1, 1989, and who continue to be exposed after August 1, 1989, must be trained with respect to that infectious agent by no later than February 1, 1990.*

Sec. 7. [REPEALER.]

*Minnesota Statutes 1988, section 182.651, subdivision 16, is repealed."*

Delete the title and insert:

"A bill for an act relating to occupational safety and health; proposing changes to the employee right-to-know act of 1983; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 16, and by adding a subdivision; 182.653, subdivision 4f; and 182.669, subdivision 1; repealing Minnesota Statutes 1988, section 182.651, subdivision 16."

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. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 522: A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing housing courts, rent escrow systems, and building repair fines as demonstration projects in Hennepin and Ramsey counties; reducing property taxes on certain types of residential rental property; authorizing a tax levy for public housing; establishing a fair housing education and public information program; requiring housing impact statements; revising certain housing receivership provisions; changing notice and redemption provisions for certain types of properties; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 273.13, subdivision 25; 462A.05, subdivision 27, and by adding subdivisions; 462A.201, subdivision 5; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 463.21; 469.012, subdivision 1; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 580.031; and 580.23, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 256; 462C; 471; 504; and 566.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### AFFORDABLE HOUSING PROGRAMS

Section 1. [129A.11] [ACCESSIBLE HOUSING INFORMATION.]

*The commissioner of jobs and training may make accessible housing information grants to eligible organizations to develop, maintain, and publicize a list of accessible housing units within their area of operation,*

*based on recommendations of the disability council. In making grant recommendations to the commissioner, the disability council must consider the area of operation of the recommended grant recipients to ensure that every county in the state is within the area of operation of one of the organizations. For purposes of this section, accessible housing unit means an accessible housing unit that meets the handicapped facility requirements of the state building code, Minnesota Rules, chapter 1340. The list may also include housing units that do not meet handicapped facility code requirements, but that are accessible to disabled persons. The list must be made available at no cost to persons seeking accessible housing and must be updated at least every two months. An eligible organization must have the capability to develop, maintain, and publicize a list of accessible housing units within the organization's area of operation.*

**Sec. 2. [268.44] [EMERGENCY MORTGAGE AND RENTAL ASSISTANCE PILOT PROJECT.]**

*Subdivision 1. [ADMINISTRATION.] The commissioner of jobs and training shall administer an emergency mortgage and rental assistance pilot project for individuals who are in imminent danger of losing their housing as a result of having insufficient income to allow payment of their rental or mortgage costs. Eligible project participants are individuals ineligible for emergency assistance or general assistance for housing and whose income does not exceed 80 percent of the area median income during the previous two years. No individual or family may receive more than six months of rental or mortgage assistance. The commissioner of jobs and training may establish eligibility priorities for emergency rental or mortgage assistance among the categories of persons needing assistance, including persons subject to immediate eviction for nonpayment of rent or foreclosure for nonpayment of mortgage installments or property taxes, when nonpayment is attributable to illness, unemployment, underemployment, or any other failure of resources beyond the person's control.*

*Subd. 2. [LOCAL RESPONSIBILITIES.] The commissioner of jobs and training must disburse funds to local agencies responsible for the distribution of emergency assistance. The local agencies may distribute funds to eligible project participants and may determine the amount of assistance on a case-by-case basis. Local agencies must provide program participants with referral services relating to housing and other resources and programs that may be available to them.*

*Subd. 3. [MORTGAGE ASSISTANCE.] Eligible homeowners at risk of losing their housing as a result of a short-term disruption or decrease in income may receive monthly mortgage or mortgage arrears assistance interest-free loans. The local distributing agency must determine repayment schedules on a case-by-case basis. The commissioner of jobs and training must inform mortgagees of the mortgage assistance project.*

*Subd. 4. [RENTAL ASSISTANCE.] Eligible applicants who are in imminent danger of losing their housing may receive monthly rental or rental arrears assistance payments. Monthly rental assistance payments may not exceed the fair market value of the rental housing unit. Persons may be required to repay the rental assistance based on their financial ability to pay, as determined by the local distributing agency.*

**Sec. 3. Minnesota Statutes 1988, section 462A.03, is amended by adding a subdivision to read:**

*Subd. 21. [CITY.] "City" has the meaning given in section 462C.02, subdivision 6.*

Sec. 4. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

*Subd. 14c. [NEIGHBORHOOD PRESERVATION.] It may agree or enter commitments to purchase, make, or participate in making loans described in subdivision 14 for programs approved by the agency for the preservation of designated neighborhoods. A designated neighborhood must meet the following requirements:*

*(1) at least 70 percent of the residential buildings are at least 35 years old;*

*(2) at least 60 percent of the residential buildings are owner-occupied;*

*(3) the average market value of the neighborhood's owner-occupied housing is not more than 100 percent of the purchase price limit for existing homes eligible for purchase in the neighborhood under the agency's home mortgage loan program; and*

*(4) the geographic area of the neighborhood consists of contiguous parcels of land.*

*To achieve the policy of economic integration stated in section 462A.02, subdivision 6, the programs may authorize loans to borrowers having ownership interests in properties in the neighborhood who are not eligible mortgagors as defined in section 462A.03, subdivision 13. The aggregate original principal balances of noneligible mortgagor loans in a neighborhood benefiting from financing under this subdivision must not exceed 25 percent of the total amount of neighborhood preservation loan funds allocated to the neighborhood under the program.*

Sec. 5. Minnesota Statutes 1988, section 462A.05, subdivision 27, is amended to read:

*Subd. 27. The agency, or the corporations referred to in subdivision 26, may acquire property or property interests under subdivisions 25 and 26 and section 462A.06, subdivision 7, for the following purposes: (1) to protect a loan or grant in which the agency or corporation has an interest; or (2) to preserve for the use of low- and moderate-income persons or families multifamily housing, ~~previously financed by the agency,~~ which ~~was (i) previously financed by the agency, or (ii) not financed by the agency~~ but is benefited by federal housing assistance payments or other rental subsidy or interest reduction contracts. Property or property interests acquired for the purpose specified in clause (1) may be acquired by foreclosure, deed in lieu of foreclosure, or otherwise.*

*Multifamily property acquired as provided in clause (2) must be managed on a fee basis by an entity other than the agency or corporation. The agency or corporation may manage the property on a temporary basis until an agreement is entered into with another entity to manage the property. The agency or corporation shall make the property available for sale at a purchase price and on terms that are mutually agreeable to the parties. In the sale of property benefited by federal housing assistance, priority must be given to a buyer who agrees to maintain the federal housing assistance.*

Sec. 6. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

*Subd. 30. [HOME EQUITY CONVERSION LOANS.] (a) The agency may make or purchase home equity conversion loans for low- or moderate-income elderly homeowners. Loan recipients must be at least 62 years of age, have substantial equity in their home, and have an income at or below 50 percent of the greater of statewide or area median income. The agency must inform a program participant of available home equity conversion loan counseling services before making a loan.*

*(b) Repayment of a home equity conversion loan may not be required until at least one of the following conditions occurs:*

- (1) the sale or conveyance of the mortgaged property;*
- (2) the mortgaged property is no longer the mortgagor's principal residence;*
- (3) the death of the mortgagor; or*
- (4) a violation of an obligation of the mortgagor under the mortgage.*

*For purposes of this section, an obligation of the mortgagor under the mortgage does not include immediate repayment upon completion of loan disbursements at the end of a specified term.*

Sec. 7. Minnesota Statutes 1988, section 462A.08, is amended by adding a subdivision to read:

*Subd. 4. [REVENUE BONDS.] The agency may issue revenue bonds on behalf of two or more cities for city housing rehabilitation loan and grant programs.*

Sec. 8. [462A.202] [AFDC RENTAL HOUSING SUBSIDY DEMONSTRATION PROJECT.]

*Subdivision 1. [AUTHORIZATION.] The agency may develop a demonstration project to provide monthly rental housing subsidies for recipients of aid to families with dependent children who participate in employment and training programs specifically designed to reduce long-term dependence on public assistance, and which are administered by the department of human services or the department of jobs and training. The agency shall coordinate the monthly rental housing subsidy program with the state agencies responsible for administering employment and training programs for recipients of aid to families with dependent children.*

*Subd. 2. [LOCAL ADMINISTRATION.] The agency may select local public housing agencies or housing and redevelopment authorities for distribution of the subsidy payments. The agency must select the local agencies or authorities based on the following criteria:*

*(1) demonstrated need for a rental housing subsidy program in conjunction with employment and training programs designed to reduce long-term dependence on public assistance;*

*(2) evidence of a cooperative working relationship among the public and private entities administering the employment and training programs within the jurisdiction of the local agency or authority; and*

*(3) demonstrated capability of the local agency or authority to administer a rental housing subsidy program, such as the federal section 8 housing assistance program.*

*Subd. 3. [HOUSEHOLD CRITERIA.] In order to be eligible to receive*

*a rental housing subsidy, a household must meet the following criteria:*

*(1) the household is not receiving housing assistance through a federal housing assistance program;*

*(2) 30 percent of the monthly income of the household, including the value of food stamps received, at the time of application for the housing subsidy, is less than the fair market rent for the unit size appropriate for the household, as established by the federal section 8 housing assistance program regulations; and*

*(3) the head of the household is certified by the administering entity to have been actively and effectively engaged for a minimum of one year in a program of employment and training designed to reduce the dependence of the household on public assistance.*

*Subd. 4. [PROJECT REQUIREMENTS.] A local agency or authority receiving funding must comply with the following requirements:*

*(1) the maximum period for which a household may receive a housing subsidy is 24 months;*

*(2) the housing subsidy must be discontinued if the head of the household ceases to be actively and effectively engaged in a program of employment and training, as certified by the administering entity. The housing subsidy may be continued if the head of the household successfully completes the program of employment or training;*

*(3) the maximum amount of the housing subsidy does not exceed the difference between 30 percent of household income, including the value of food stamps received, and the fair market rent for the unit size appropriate for the household as established by federal section 8 housing assistance program regulations; and*

*(4) the subsidy payment must be a vendor payment made directly to the property owner.*

*Up to ten percent of the funds received may be used to pay administration costs of the program.*

#### **Sec. 9. [462A.203] [HOUSING PRESERVATION PROGRAM.]**

*Subdivision 1. [ESTABLISHMENT.] The agency may establish a housing preservation program for the purpose of making housing preservation grants to cities. Cities may use the grants to establish revolving loan funds for the acquisition, improvement, or rehabilitation of residential buildings for the purpose of preserving eligible housing. To achieve the policy of economic integration stated in section 462A.02, subdivision 6, loans may be made to borrowers with ownership interests in property whose income is equal to or less than 110 percent of area median income. The aggregate original principal balances of those residential mortgagor loans must not exceed 25 percent of the total amount of housing preservation loan funds allocated to a city.*

*Subd. 2. [ELIGIBILITY REQUIREMENTS.] A city's application for a housing preservation grant must include a geographic description of the area for which the grant will be used. A city may designate only one area for each grant application submitted, but may submit more than one application. The application must include a city council resolution certifying that the designated area meets the following requirements:*

(1) at least 70 percent of the residential buildings are at least 35 years old;

(2) at least 60 percent of the residential buildings are owner-occupied;

(3) the average market value of the area's owner-occupied housing is not more than 100 percent of the purchase price limit for existing homes eligible for purchase in the area under the agency's home mortgage loan program; and

(4) the geographic area consists of contiguous parcels of land.

*Subd. 3. [LOCAL MATCH.] In order to qualify for a program grant, a city must match every dollar of state money with one dollar of city matching funds. City matching funds may consist of:*

(1) money from the general fund or a special fund of the city;

(2) money paid or repaid to a city from the proceeds of a grant that the city has received from the federal government, a profit or nonprofit corporation, or another entity or individual;

(3) the greater of the fair market value or the cost to the city of acquiring land, buildings, equipment, or other real or personal property that a city contributes, grants, or loans to a profit or nonprofit corporation, or other entity or individual in connection with the implementation of the housing preservation program;

(4) money to be used to install, reinstall, repair, or improve the infrastructure facilities of an eligible area;

(5) money contributed by a city to pay issuance costs or to otherwise provide financial support for revenue bonds or obligations issued for a project or program related to the implementation of a housing preservation program; and

(6) money derived from fees received by a city in connection with its community development activities that are to be used in implementing a housing preservation program.

*Subd. 4. [ADVISORY COMMITTEE.] Before a city may make any loans under the housing preservation program, the city must establish an advisory committee to advise and assist the city in implementing the housing preservation program.*

*Subd. 5. [BONDS.] The agency may issue general obligation bonds of the agency, revenue bonds, or a combination of both, the proceeds of which must be used for the housing preservation program.*

Sec. 10. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

*Subd. 3a. [CAPACITY BUILDING REVOLVING LOAN FUND.] It may establish a revolving loan fund for predevelopment costs for nonprofit organizations and local government units engaged in the construction or rehabilitation of low- and moderate-income housing, and for the purposes specified in sections 462A.05, subdivision 5; and 462A.07, subdivisions 2, 3, 3a, 5, 5a, 6, 7, 11, and 16. The agency may delegate the authority to administer the revolving loan fund for designated areas in the state to existing nonprofit organizations. Nonprofit entities selected to exercise such delegated powers must have sufficient professional housing development expertise, as determined by the agency, to evaluate the economic*

*feasibility of an applicant's proposed project. Loans to nonprofit organizations or local government units under this subdivision may be made with or without interest as determined by the agency.*

Sec. 11. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

*Subd. 3b. [CAPACITY BUILDING GRANTS.] It may make capacity building grants to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to expand their capacity to provide affordable housing and housing-related services. The grants may be used to assess housing needs and to develop and implement strategies to meet those needs, including the creation or preservation of affordable housing and the linking of supportive services to the housing. The agency shall adopt rules specifying the eligible uses of grant money. Funding priority must be given to those applicants that include low-income persons in their membership, have provided housing-related services to low-income people, and demonstrate a local commitment of local resources, which may include in-kind contributions.*

Sec. 12. Minnesota Statutes 1988, section 462A.21, subdivision 4k, is amended to read:

*Subd. 4k. [HOUSING DEVELOPMENT FUND.] The agency may make grants for residential housing for low-income persons under section 462A.05, subdivision 28, ~~from funds specifically appropriated by the legislature for that purpose~~ and may pay the costs and expenses for the development and operation of the program.*

Sec. 13. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

*Subd. 8b. [FAMILY RENTAL HOUSING.] It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 60 percent of area median income. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature.*

Sec. 14. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

*Subd. 8c. [RENTAL HOUSING FOR INDIVIDUALS.] It may establish a rental housing assistance program for persons of low income or with a mental illness to provide loans or direct rental subsidies for housing for individuals with incomes of up to 25 percent of area median income. Priority must be given to developments with the lowest income residents. Housing for the mentally ill must be operated in coordination with social service providers who provide services to tenants. The developments may be financed by the agency or other public or private entities. Direct rental subsidies must be administered by the agency for the benefit of eligible tenants. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature.*

Sec. 15. Minnesota Statutes 1988, section 462A.21, subdivision 12, is amended to read:

Subd. 12. [TEMPORARY HOUSING.] It may make *loans or grants* for the purpose of section 462A.05, subdivision 20, and may pay the costs and expenses necessary and incidental to the *loan or grant* program authorized therein. ~~Grants pursuant to section 462A.05, subdivision 20 may be made only with specific appropriations by the legislature.~~

Sec. 16. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

*Subd. 12a. [PROGRAM MONEY TRANSFER.] Grants authorized under section 462A.05, subdivisions 20, 28, and 29, may be made only with specific appropriations by the legislature, but unencumbered balances of money appropriated for the purpose of loans or grants for agency programs under these subdivisions may be transferred between programs created by these subdivisions or in accordance with section 462A.20, subdivision 3.*

Sec. 17. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

*Subd. 15. [HOUSING INITIATIVE PROGRAMS.] It may spend money for the purpose of section 18, and may pay the costs and expenses necessary and incidental to the development and authorization of the programs described in that section.*

Sec. 18. [462A.226] [HOUSING INITIATIVE PROGRAM.]

*Subdivision 1. [PROGRAM ADMINISTRATION.] The agency may provide grants or loans to eligible applicants to administer grant and loan programs or to provide residential housing for low- and moderate-income persons and families. Eligible applicants may use grants and loans to acquire, rehabilitate, refinance, construct, and preserve residential housing; clear debris; obtain utility connections; repair and install wells and septic systems; remove architectural barriers; pay relocation costs; make energy-related improvements; pay administrative costs of housing programs; and other purposes designated by the agency. Eligible applicants include political subdivisions, nonprofit or cooperative organizations, housing and redevelopment authorities, and other organizations designated by the agency.*

*Subd. 2. [PRIORITY.] In awarding grants and loans, the agency shall give priority to applicants that:*

*(1) have experience in providing services to low- and moderate-income people and administering housing programs;*

*(2) include low- and moderate-income persons on their decision-making bodies;*

*(3) propose to address the housing needs of people with the lowest income in their service areas;*

*(4) use locally available resources;*

*(5) add to the supply of permanently affordable housing; and*

*(6) provide opportunities for low- and moderate-income people to participate in the ownership or management of their housing. The maximum amount of an annual grant is \$500,000 per applicant.*

*Subd. 3. [GRANTS AND LOANS TO LOW- AND MODERATE-INCOME PERSONS.] Applicants may make grants or loans to persons and families whose income is equal to or less than 80 percent of the area median income*



*as calculated by the United States Department of Housing and Urban Development and adjusted for family size, or for projects, as defined by the agency, principally benefiting such persons or families. The agency may determine the terms and conditions under which any or all of the loans must be repaid.*

*Subd. 4. [PROGRAM LIMITATIONS.] A program recipient may not use more than five percent of the funds allocated to it for costs of administering low- and moderate-income housing programs. At least 75 percent of the loan or grant must be used for housing programs for persons and families whose income is equal to or less than 60 percent of the area median income as calculated by the United States Department of Housing and Urban Development.*

*Subd. 5. [REPORTS.] Program recipients shall submit a report to the agency, as required by the agency. The report must include the following information:*

- (1) the number of housing units created or assisted as a result of the program;*
- (2) the income and size of households affected by the program; and*
- (3) any other information requested by the agency.*

*The agency shall submit a housing initiative program report summarizing the information required under this subdivision to the legislature.*

**Sec. 19. [462A.28] [HOME EQUITY CONVERSION LOAN COUNSELING PROGRAM.]**

*Subdivision 1. [PROGRAM ADMINISTRATION.] The Minnesota housing finance agency shall select and contract with a nonprofit corporation to administer a home equity conversion loan counseling program for senior homeowners. The organization selected must meet the following requirements:*

- (1) its primary purpose is to assist elderly persons in obtaining and maintaining affordable housing;*
- (2) it is knowledgeable about reverse mortgage programs;*
- (3) it has experience in counseling older persons on housing, including knowledge of alternative living arrangements for older persons; and*
- (4) it has knowledge of existing public support programs for older persons.*

*Subd. 2. [PROGRAM RESPONSIBILITIES.] The organization selected to administer the counseling program in subdivision 1 must perform the following program responsibilities with program clients:*

- (1) conduct a review of reverse mortgage programs, including the advantages, disadvantages, and alternatives;*
- (2) explain the effects of the mortgage on the client's estate and public benefits;*
- (3) explain the lending process; and*
- (4) discuss the client's supplemental income needs.*

**Sec. 20. [STATEWIDE AND SUBURBAN FUNDING ALLOCATION.]**

*The agency shall ensure that money appropriated under section 21 is distributed statewide and that the seven-county metropolitan area outside*

*of the cities of Minneapolis and Saint Paul receives an equitable distribution of the allocation.*

**Sec. 21. [APPROPRIATIONS; LOW-INCOME RENTAL HOUSING.]**

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for low-income family rental housing located outside of home rule charter or statutory cities of the first class.*

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for low-income individual rental housing located outside of home rule charter or statutory cities of the first class.*

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for rental housing for persons with a mental illness.*

**Sec. 22. [APPROPRIATION; TRANSITIONAL AND MIGRANT HOUSING.]**

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for the acquisition, rehabilitation, or construction of transitional housing units.*

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for the acquisition, rehabilitation, or construction of affordable housing units for migrant laborers.*

**Sec. 23. [APPROPRIATION; ACCESSIBLE HOUSING.]**

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for the construction or adaptation of units accessible to the physically handicapped for family rental housing.*

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for single family home accessibility modification.*

**Sec. 24. [APPROPRIATION; RENTAL SUBSIDY.]**

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for the AFDC rental housing subsidy program.*

**Sec. 25. [APPROPRIATION; LOAN COUNSELING.]**

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for the home equity conversion loan counseling program.*

**Sec. 26. [APPROPRIATION; CAPACITY BUILDING GRANTS.]**

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for capacity building grants.*

**Sec. 27. [APPROPRIATION; HOUSING INITIATIVES.]**

*\$ . . . . . is appropriated from the general fund to the commissioner of the Minnesota housing finance agency for the housing initiative programs.*

**Sec. 28. [APPROPRIATION; HOUSING PRESERVATION.]**

*\$ . . . . . is appropriated from the general fund to the Minnesota housing finance agency for the housing preservation program.*

**Sec. 29. [APPROPRIATION; HOME ENERGY LOANS.]**

*\$ . . . . . of the money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations*

*is appropriated to the Minnesota housing finance agency for the purpose of making home energy loans.*

Sec. 30. [APPROPRIATIONS; COMMISSIONER OF JOBS AND TRAINING.]

*\$ . . . . . is appropriated from the general fund to the commissioner of jobs and training for accessible housing information grants.*

*\$ . . . . . is appropriated from the general fund to the commissioner of jobs and training for the emergency mortgage and rental assistance program.*

*\$ . . . . . is appropriated from the general fund to the commissioner of jobs and training for the temporary housing demonstration program established under Minnesota Statutes, section 268.38.*

## ARTICLE 2

### LANDLORD-TENANT PROVISIONS

Section 1. [504.181] [ESCROW OF RENT TO REMEDY VIOLATIONS.]

*Subdivision 1. [DEFINITIONS.] The definitions in section 566.18 apply to this section.*

*Subd. 2. [ESCROW OF RENT.] If a violation exists in a building, a tenant may deposit the amount of rent due to the owner with the court administrator using the following procedure:*

*(a) For a violation of section 566.18, subdivision 6, clause (a), the tenant may deposit with the court administrator the rent due the owner along with a copy of the written notice of the code violation as provided in section 566.19, subdivision 2. The tenant may not deposit the rent or file the written notice of the code violation until the time granted to make repairs has expired without satisfactory repairs being made, unless the tenant alleges that the time granted is excessive.*

*(b) For a violation of section 566.18, subdivision 6, clause (b) or (c), the tenant must give written notice to the owner specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the tenant may deposit the amount of rent due to the owner with the court administrator along with an affidavit specifying the violation. The court must provide a simplified form affidavit for use under this clause.*

*As long as proceedings are pending under this section, the tenant must pay rent as directed by the court and may not withhold rent to remedy a violation.*

*Subd. 3. [COUNTERCLAIM FOR POSSESSION.] The owner may file a counterclaim for possession of the premises in cases where the owner alleges that the tenant did not deposit the full amount of rent with the court administrator. The court must set the date for a hearing on the counterclaim not less than seven nor more than 14 days from the day of filing the counterclaim. If the rent escrow hearing and the hearing on the counterclaim for possession cannot be heard on the same day, the matters must be consolidated and heard on the date scheduled for the hearing on the counterclaim. The contents of the counterclaim for possession must meet the requirements for a complaint in unlawful detainer under section 566.05. The owner must serve the counterclaim as provided in section 566.06.*

*except that the affidavits of service or mailing may be brought to the hearing rather than filed with the court before the hearing. The court must provide a simplified form for use under this section.*

*Subd. 4. [FILING FEE.] The court administrator may charge a filing fee in the amount set for complaints and counterclaims in conciliation court, subject to the filing of an inability to pay affidavit.*

*Subd. 5. [NOTICE OF HEARING.] A hearing must be held within ten to 14 days of the day a tenant deposits rent with the court administrator. If the cost of remedying the violation, as estimated by the tenant, is within the jurisdictional limit for conciliation court, the court administrator shall notify the owner and the tenant of the time and place of the hearing by first class mail. The notice of hearing must be mailed within one business day of the day the tenant deposits the rent with the court administrator. The tenant must provide the court administrator with the owner's name and address. If the owner has disclosed a post office box as the owner's address under section 504.22, notice of the hearing may be mailed to the post office box. If the cost of remedying the violation, as estimated by the tenant, is above the jurisdictional limit for conciliation court, the tenant must serve the notice of hearing according to the rules of civil procedure. The notice of hearing must specify the amount the tenant has deposited with the court administrator, and must inform the owner that possession of the premises will not be in issue at the hearing unless the owner files a counterclaim for possession or an action under sections 566.01 to 566.17.*

*Subd. 6. [HEARING.] The hearing shall be conducted by a court without a jury. The court normally shall receive only evidence admissible under the rules of evidence, but in the interest of justice and the summary determination of the case, the court may receive evidence not so admissible, including certified copies of inspection reports.*

*Subd. 7. [RELEASE OF RENT PRIOR TO HEARING.] If the tenant gives written notice to the court administrator that the violation has been remedied, the court administrator must release the rent to the owner and, unless the hearing has been consolidated with another action, must cancel the hearing. If the tenant and the owner enter into a written agreement signed by both parties apportioning the rent between them, the court administrator must release the rent in accordance with the written agreement and cancel the hearing.*

*Subd. 8. [CONSOLIDATION WITH UNLAWFUL DETAINER.] Actions under this section and actions in unlawful detainer brought under sections 566.01 to 566.17 which involve the same parties must be consolidated and heard on the date scheduled for the unlawful detainer.*

*Subd. 9. [JUDGMENT.] (a) Upon finding that a violation exists, the court may, in its discretion, do any or all of the following:*

*(1) order relief as provided in section 566.25, including retroactive rent abatement;*

*(2) order that all or a portion of the rent in escrow be released for the purpose of remedying the violation;*

*(3) order that rent be deposited with the court as it becomes due to the owner or abate future rent until the owner remedies the violation; or*

*(4) impose fines as required in section 15.*

(b) *When a proceeding under this section has been consolidated with a counterclaim for possession or an action in unlawful detainer under sections 566.01 to 566.17, and the owner prevails, the tenant may redeem the tenancy as provided in section 504.02.*

(c) *When a proceeding under this section has been consolidated with a counterclaim for possession or an action under an unlawful detainer under sections 566.01 to 566.17 on the grounds of nonpayment, the court may not require the tenant to pay the owner's filing fee as a condition of retaining possession of the premises when the tenant has deposited with the court the full amount of money found by the court to be owed to the owner.*

*Subd. 10. [RELEASE OF RENT AFTER HEARING.] Upon finding, after a hearing on the matter has been held, that no violation exists in the building or that the tenant did not deposit the full amount of rent due with the court administrator, the court shall order the immediate release of the rent to the owner. Upon finding that a violation existed, but was remedied between the commencement of the action and the hearing, the court may order rent abatement and must release the rent to the parties accordingly. Any rent found to be owed to the tenant must be released to the tenant.*

*Subd. 11. [RETALIATION; WAIVER; RIGHTS AS ADDITIONAL.] The provisions of section 566.28 apply to proceedings under this section. The tenant rights under this section may not be waived or modified and are in addition to and do not limit other rights or remedies which may be available to the tenant and owner.*

Sec. 2. Minnesota Statutes 1988, section 504.255, is amended to read:  
504.255 [UNLAWFUL OUSTER OR EXCLUSION; DAMAGES.]

If a landlord, an agent, or other person acting under the landlord's direction or control, unlawfully and in bad faith removes ~~or~~, excludes, or *forcibly keeps out* a tenant from a residential premises, the tenant may recover from the landlord ~~up to~~ treble damages or \$500, whichever is greater, and reasonable attorney's fees.

Sec. 3. Minnesota Statutes 1988, section 504.26, is amended to read:  
504.26 [UNLAWFUL TERMINATION OF UTILITIES.]

Except as otherwise provided in this ~~subdivision~~ section, if a landlord, an agent or other person acting under the landlord's direction or control, interrupts or causes the interruption of electricity, heat, gas, or water services to the tenant, the tenant may recover from the landlord treble damages or \$500, whichever is greater, and reasonable attorney's fees. It is a defense to any action brought under this ~~subdivision~~ section that the interruption was the result of the deliberate or negligent act or omission of a tenant or anyone acting under the direction or control of the tenant. The tenant may recover only actual damages under this ~~subdivision~~ section if:

(a) the tenant has not given the landlord, an agent or other person acting under the landlord's direction or control, notice of the interruption; or

(b) the landlord, an agent or other person acting under the landlord's direction or control, after receiving notice of the interruption from the tenant and within a reasonable period of time after the interruption, taking into account the nature of the service interrupted and the effect of the interrupted service on the health, welfare and safety of the tenants, has reinstated or made a good faith effort to reinstate the service or has taken

other remedial action; or

(c) the interruption was for the purpose of repairing or correcting faulty or defective equipment or protecting the health and safety of the occupants of the premises involved and the service was reinstated or a good faith effort was made to reinstate the service or other remedial action was taken by the landlord, an agent, or other person acting under the landlord's direction or control within a reasonable period of time, taking into account the nature of the defect, the nature of the service interrupted and the effect of the interrupted service on the health, welfare and safety of the tenants.

Sec. 4. [504.29] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 5 and 6.*

*Subd. 2. [OWNER.] "Owner" has the meaning given it in section 566.18, subdivision 3.*

*Subd. 3. [TENANT.] "Tenant" has the meaning given it in section 566.18, subdivision 2.*

*Subd. 4. [TENANT REPORT.] "Tenant report" means a written, oral, or other communication by a tenant screening service that includes information concerning an individual's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, and that is collected, used, or expected to be used for the purpose of making decisions relating to residential tenancies or residential tenancy applications.*

*Subd. 5. [TENANT SCREENING SERVICE.] "Tenant screening service" means a person or business regularly engaged in the practice of gathering, storing, or disseminating information about tenants or assembling tenant reports for monetary fees, dues, or on a cooperative nonprofit basis.*

Sec. 5. [504.30] [TENANT REPORTS; DISCLOSURE AND CORRECTIONS.]

*Subdivision 1. [DISCLOSURES REQUIRED.] Upon request and proper identification, a tenant screening service must disclose the following information to an individual:*

*(1) the nature and substance of all information in its files on the individual at the time of the request; and*

*(2) the sources of the information.*

*A tenant screening service must make the disclosures to an individual without charge if information in a tenant report has been used within the past 30 days to deny the rental or increase the security deposit or rent of a residential housing unit to the individual. If the tenant report has not been used to deny the rental or increase the rent or security deposit of a residential housing unit within the past 30 days, the tenant screening service may impose a reasonable charge for making the disclosure required under this section. The tenant screening service must notify the tenant of the amount of the charge before furnishing the information. The charge may not exceed the amount that the tenant screening service would impose on each designated recipient of a tenant report, except that no charge may be made for notifying persons of the deletion of information which is found to be inaccurate or which can no longer be verified.*

*Subd. 2. [CORRECTIONS.] If the completeness or accuracy of an item of information contained in an individual's file is disputed by the individual, the tenant screening service must reinvestigate and record the current status of the information. If the information is found to be inaccurate or can no longer be verified, the tenant screening service must delete the information from the individual's file and tenant report. At the request of the individual, the tenant screening service must give notification of the deletions to persons who have received the tenant report within the past six months.*

*Subd. 3. [EXPLANATIONS.] The tenant screening service must permit an individual to explain any disputed item not resolved by reinvestigation in a tenant report. The explanation must be included in the tenant report. The tenant screening service may limit the explanation to no more than 100 words.*

*Subd. 4. [COURT FILE INFORMATION.] If a tenant screening service includes information from a court file on an individual in a tenant report, the outcome of the court proceeding must be accurately recorded in the tenant report, unless the outcome is not provided by the court. Whenever the court supplies information from a court file on an individual, in whatever form, the court shall include information on the outcome of the court proceeding when it is available. The tenant screening service is not liable under section 6 if the tenant screening service reports complete and accurate information as provided by the court.*

*Subd. 5. [INFORMATION TO TENANT.] If the owner uses information in a tenant report to deny the rental or increase the security deposit or rent of a residential housing unit, the owner must inform the prospective tenant of the name and address of the tenant screening service that provided the tenant report.*

**Sec. 6. [504.31] [TENANT REPORT; REMEDIES.]**

*The remedies provided in section 8.31 apply to a violation of section 5. A tenant screening service or owner in compliance with the provisions of the Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq., is considered to be in compliance with section 5.*

**Sec. 7. [504.32] [NOTICE REQUIREMENT.]**

*Subdivision 1. [DEFINITIONS.] The definitions of "owner" and "tenant" in section 566.18 apply to this section.*

*Subd. 2. [NOTICE.] The owner of federally subsidized rental housing must give tenants a one-year written notice under the following conditions:*

- (1) a federal section 8 contract will expire;*
- (2) the owner will exercise the option to terminate or not renew a federal section 8 contract and mortgage;*
- (3) the owner will prepay a mortgage and the prepayment will result in the termination of any federal use restrictions that apply to the housing; or*
- (4) the owner will terminate a housing subsidy program.*

**Sec. 8. Minnesota Statutes 1988, section 566.175, subdivision 1, is amended to read:**

**Subdivision 1. [UNLAWFUL EXCLUSION OR REMOVAL.] For purposes of this section, "unlawfully removed or excluded" means actual or**

*constructive removal or exclusion. Actual or constructive removal or exclusion may include the termination of utilities, or the removal of doors, windows, or locks. Any tenant who is unlawfully removed or excluded from lands or tenements which are demised or let to the tenant may recover possession of the premises in the following manner:*

(a) The tenant shall present a verified petition to the county or municipal court of the county in which the premises are located, which petition shall:

(1) describe the premises of which possession is claimed and the owner, as defined in section 566.18, subdivision 3, of the premises;

(2) specifically state the facts and grounds that demonstrate that the removal or exclusion was unlawful including a statement that no judgment and writ of restitution have been issued under section 566.09 in favor of the owner and against petitioner as to the premises and executed in accordance with section 566.17; and

(3) ask for possession thereof.

(b) If it clearly appears from the specific grounds and facts stated in the verified petition or by separate affidavit of petitioner or the petitioner's counsel or agent that the removal or exclusion was unlawful, the court shall immediately order that petitioner have possession of the premises.

(c) The petitioner shall furnish monetary or other security if any as the court deems appropriate under the circumstances for payment of all costs and damages the defendant may sustain if the order is subsequently found to have been obtained wrongfully. In determining the appropriateness of any security the court shall consider petitioner's ability to afford monetary security.

(d) The court shall direct the order to the sheriff or any constable of the county in which the premises is located and the sheriff or constable shall execute the order immediately by making a demand upon the defendant, if found, or the defendant's agent or other person in charge of the premises, for possession of the premises. If the defendant fails to comply with the demand, the officer shall take whatever assistance may be necessary and immediately place the petitioner in possession of the premises. If the defendant or the defendant's agent or other person in control of the premises cannot be found and if there is no person in charge of the premises detained so that no demand can be made, the officer shall immediately enter into possession of the premises and place the petitioner in possession of the premises. The officer shall also serve the order and verified petition or affidavit without delay upon the defendant or agent, in the same manner as a summons is required to be served in a civil action in district court.

Sec. 9. Minnesota Statutes 1988, section 566.29, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATOR.] The administrator may be ~~any~~ a person, *local government unit or agency*, other than an owner of the building, the inspector, the complaining tenant or any person living in the complaining tenant's dwelling unit. If a ~~state, or court, or local~~ agency is authorized by statute, ordinance or regulation to provide persons to act as administrators under this section, the court may appoint such persons as administrators to the extent they are available.

Sec. 10. Minnesota Statutes 1988, section 566.29, subdivision 4, is amended to read:



Subd. 4. [POWERS.] The administrator ~~shall be empowered~~ *is authorized* to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, rent vacant dwelling units on a month to month basis, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist *and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property*, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the premise to secure funds to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist *and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property*, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist *and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property*, and pay for them from funds derived from the municipal sources. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.

Sec. 11. Minnesota Statutes 1988, section 566.29, is amended by adding a subdivision to read:

*Subd. 6. [BUILDING REPAIRS AND SERVICES.] The administrator must first contract and pay for building repairs and services necessary to keep the building habitable before other expenses may be paid. If sufficient funds are not available for paying other expenses, such as tax and mortgage payments, after paying for necessary repairs and services, the owner is responsible for the other expenses.*

Sec. 12. Minnesota Statutes 1988, section 566.29, is amended by adding a subdivision to read:

*Subd. 7. [ADMINISTRATOR'S LIABILITY.] The administrator may not be held personally liable in the performance of duties under this section except for misfeasance, malfeasance, or nonfeasance of office.*

Sec. 13. Minnesota Statutes 1988, section 566.29, is amended by adding a subdivision to read:

*Subd. 8. [DWELLING'S ECONOMIC VIABILITY.] In considering whether to grant the administrator funds under subdivision 4, the court must consider factors relating to the long-term economic viability of the dwelling. The court's analysis must consider factors including the causes leading to the appointment of an administrator, the repairs necessary to bring the property into code compliance, the market value of the property, and whether present and future rents will be sufficient to cover the cost of repairs or rehabilitation.*

**Sec. 14. [566.291] [RECEIVERSHIP REVOLVING LOAN FUND.]**

*The Minnesota housing finance agency may establish a revolving loan fund to pay the administrative expenses of receivership administrators under section 566.29 for properties for occupancy by low- and moderate-income persons or families. Property owners are responsible for repaying administrative expense payments made from the fund.*

**Sec. 15. [HOUSING CALENDAR CONSOLIDATION PILOT PROJECT.]**

*Subdivision 1. [ESTABLISHMENT.] A three-year pilot project may be established in the second and fourth judicial districts to consolidate the hearing and determination of matters related to residential rental housing and to ensure continuity and consistency in the disposition of cases.*

*Subd. 2. [JURISDICTION.] The housing calendar project may consolidate the hearing and determination of all proceedings under Minnesota Statutes, chapters 504 and 566; criminal and civil proceedings related to violations of any state, county or city health, safety, housing, building, fire prevention or housing maintenance code; escrow of rent proceedings; landlord-tenant damage actions; and actions for rent and rent abatement.*

*Subd. 3. [REFEREE.] The chief judge of district court may appoint a referee for the housing calendar project. The referee must be learned in the law. The referee must be compensated according to the same scale used for other referees in the district court. Minnesota Statutes, section 484.70, subdivision 6, applies to the housing calendar project.*

*Subd. 4. [REFEREE DUTIES.] The duties and powers of the referee in the housing calendar project are as follows:*

*(1) to hear and report all matters within the jurisdiction of the housing calendar project and as may be directed to the referee by the chief judge; and*

*(2) to recommend findings of fact, conclusions of law, temporary and interim orders, and final orders for judgment.*

*All recommended orders and findings of the referee are subject to confirmation by a judge.*

*Subd. 5. [TRANSMITTAL OF COURT FILE.] Upon the conclusion of the hearing in each case, the referee must transmit to the district court judge, the court file together with the referee's recommended findings and orders in writing. The recommended findings and orders of the referee become the findings and orders of the court when confirmed by the district court judge. The order of the court is proof of the confirmation.*

*Subd. 6. [CONFIRMATION OF REFEREE ORDERS.] Review of any recommended order or finding of the referee by a district court judge may be had by notice served and filed within ten days of effective notice of the recommended order or finding. The notice of review must specify the grounds*

*for the review and the specific provisions of the recommended findings or orders disputed, and the district court judge, upon receipt of the notice of review, must set a time and place for the review hearing.*

*Subd. 7. [PROCEDURES.] The chief judge of the district must establish procedures for the implementation of the pilot project, including designation of a location for the hearings. The chief judge may also appoint other staff as necessary for the project.*

*Subd. 8. [EVALUATION.] The state court administrator must establish a procedure in consultation with the chief judge of each district, each district administrator, and an advisory group for evaluating the efficiency and the effectiveness of consolidating the hearing of residential rental housing matters, and must report to the legislature by January 1, 1993. An advisory group must be established in each judicial district to provide ongoing oversight and evaluation of the housing calendar consolidation project. The advisory group must be appointed by the chief judge of each district and must be composed of at least one representative of the following groups: the state court administrator's office; the district court administrator's office; the district judges; owners of rental property; and tenants.*

**Sec. 16. [VIOLATIONS OF BUILDING REPAIR ORDERS.]**

*Subdivision 1. [DEFINITIONS.] The definitions in Minnesota Statutes, section 566.18, apply to subdivision 2.*

*Subd. 2. [NONCOMPLIANCE; FINES.] Upon finding an owner has failed to comply with a court order for building repairs, the court shall fine the owner according to the following schedule:*

- (1) \$250 for the first violation;*
- (2) \$500 for the second violation; and*
- (3) \$750 for the third and subsequent violations.*

*The court must find that there has been a willful disregard of a court order before a fine may be imposed. An owner fined twice in a period of three years for failure to comply with a court order for repairs on any building owned is guilty of a gross misdemeanor for a third or subsequent violation and may be sentenced accordingly.*

*Subd. 3. [FINES COLLECTED.] Fines collected under this section in Hennepin county must be used for expenses of the fourth judicial district, housing calendar consolidation project. Fines collected under this section in Ramsey county must be used for expenses of the second judicial district, district court, housing calendar consolidation project.*

**Sec. 17. [DEMONSTRATION PROJECTS.]**

*The establishment of a housing calendar project under section 15 is a demonstration project to evaluate the effectiveness of coordinating the adjudication of all housing-related cases in one court.*

**Sec. 18. [APPROPRIATION; HOUSING CALENDAR PILOT PROJECT.]**

*\$ . . . . . is appropriated from the general fund to the second judicial district and \$ . . . . . is appropriated from the general fund to the fourth judicial district for the housing calendar consolidation project. \$ . . . . . is appropriated from the general fund to the state court administrator for evaluation of the housing calendar pilot project.*

## Sec. 19. [REPEALER.]

*Section 15 is repealed July 1, 1992.*

ARTICLE 3  
PROPERTY TAX

Section 1. Minnesota Statutes 1988, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property has a 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 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, *which has a tax capacity of 2.5 percent of market value;*

(2) post-secondary student housing not to exceed one acre of land which is owned by a nonprofit corporation organized under chapter 317 and is used exclusively by a sorority or fraternity organization for housing;

(3) manufactured homes not classified under any other provision;

(4) a dwelling, garage, and surrounding one acre of property on a non-homestead farm classified under subdivision 23, paragraph (b), which has a tax capacity of 2.7 percent of market value.

Class 4b property has a tax capacity of 3.5 percent of market value, except as provided in ~~clause~~ *clauses (1) and (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 *local government unit loan, direct federal loan or, federally insured loan, or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to: property of a nonprofit or limited dividend entity and property upon which restrictions are enforced by a public agency or governmental unit to ensure the affordability of rents for persons and families of low and moderate income, as defined in section 462A.03, subdivision 10.* Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1987; or (ii) meets the requirements of that section. Classification pursuant to this clause is limited to buildings the construction or rehabilitation of which began after May 1, 1988, and to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents. The land on which these structures are situated has a tax capacity of 3.5 percent of market value if the structure contains fewer than four units, and 4.1 percent of market value if the structure contains four or more units.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 317; (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (c) it limits membership with voting rights to residents of the designated community; and (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 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 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 2.3 percent of market value; and

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 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

*(7) a structure situated on real property that is used exclusively for housing for persons and families of low and moderate income, as defined in section 462A.03, subdivision 10, and that has undergone substantial rehabilitation. "Substantial rehabilitation" means the repair, reconstruction, or improvement of existing residential housing that has a total cost of at least ten percent of the value of the structure. Property is classified as 4c under this clause for five years from the date of completion of the rehabilitation.*

Class 4c property classified under clauses (1), (2), (3), ~~and~~ (4), and (7) has a tax capacity of 2.5 percent of market value.

(d) Class 4d property includes any structure:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the farmers home administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The 1.5 percent and 2.5 percent tax capacity assignments apply to the properties described in paragraph (c), clauses (1), (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.

Class 4d property has a tax capacity of 1.5 percent of market value.

Sec. 2. [462C.13] [PUBLIC HOUSING TAX LEVY.]

*A home rule charter or statutory city as defined in section 462C.02, subdivision 6, may levy a tax for the development, improvement, and operation of publicly owned housing. The tax must not exceed one percent of the net tax capacity of taxable property in the city. The tax is not subject to levy limits.*

ARTICLE 4

MISCELLANEOUS

Section 1. [363.032] [AFFIRMATIVE MARKETING REGULATIONS.]

*To promote and encourage open housing policies, the commissioner must establish affirmative marketing regulations for housing developers that receive more than \$50,000 in state or local funds. The regulations must require the management or marketing agency for the housing development to adopt an information distribution or marketing plan for actively informing minorities and other protected groups of available housing opportunities. For purposes of this subdivision, "protected groups" has the meaning given it in section 43A.02, subdivision 33. The commissioner may adopt rules to carry out the purposes of this section. This section does not apply to Minnesota housing finance agency mortgages provided to individual home buyers.*

Sec. 2. [363.033] [RENTAL HOUSING PRIORITY; ACCESSIBLE UNITS.]

*Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.*

*(a) "Accessible unit" means an accessible rental housing unit that meets the handicapped facility requirements of the state building code, Minnesota Rules, chapter 1340.*

*(b) "Owner" has the meaning given it in section 566.18, subdivision 3.*

*Subd. 2. [PRIORITY REQUIREMENT.] An owner of rental housing that contains accessible units must give priority for the rental of an accessible unit to a disabled person or a family with a disabled family member who will reside in the unit. If a nondisabled person or a family that does not include a disabled person is living in an accessible unit, the person or family must be offered a nonhandicapped equipped unit if the following conditions occur:*

*(1) the nondisabled person or family has lived in the unit for a period of at least six months;*

*(2) a disabled person or a family with a disabled family member who will reside in the unit has signed a rental agreement to rent the accessible unit; and*

*(3) a similar nonaccessible unit in the same rental housing complex is available at the same rent.*

*The owner must inform nondisabled persons and families that do not include a disabled family member of the possibility of being offered a nonhandicapped equipped unit as provided under this section before a rental agreement to rent an accessible unit is entered.*

Sec. 3. [363.034] [FAIR HOUSING PROGRAM.]

*The commissioner may establish a fair housing education and public information program. The purpose of the program is to educate persons on fair housing laws and policies and promote open housing practices. The fair housing education and public information program consists of:*

*(1) a public information advertising campaign;*

*(2) a fair housing information library;*

*(3) a fair housing education campaign for children in grades kindergarten through 12; and*

*(4) fair housing education and training seminars for realtors, lenders, housing developers, and rental property owners.*

Sec. 4. Minnesota Statutes 1988, section 463.21, is amended to read:

463.21 [ENFORCEMENT OF JUDGMENT.]

If a judgment is not complied with in the time prescribed, the governing body may cause the building to be repaired, razed, or removed or the hazardous condition to be removed or corrected as set forth in the judgment, or acquire the building and real estate on which the building or hazardous condition is located by eminent domain as provided in section 463.152. The cost of ~~such~~ the repairs, razing, or removal ~~shall~~ *may* be: a lien against the real estate on which the building is located or the hazardous condition exists ~~and, or recovered by obtaining a judgment against the owner of the real estate on which the building is located or the hazardous condition exists.~~ A lien may be levied and collected only as a special assessment in the manner provided by Minnesota Statutes 1961, sections 429.061 to 429.081, but the assessment shall be payable in a single installment. When the building is razed or removed by the municipality, the governing body may sell the salvage and valuable materials at public auction upon three days' posted notice.

Sec. 5. Minnesota Statutes 1988, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal



rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of

financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make, or agree to make, payments in lieu of taxes to the city or the county, the state or any political subdivision thereof, that it finds consistent with the purposes of sections 469.001 to 469.047;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001

to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body

to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low or moderate income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5); ~~and~~

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual; ~~and~~

(30) *within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing.*

Sec. 6. [471.9997] [HOUSING IMPACT STATEMENT.]

*Before public funds may be released for any development project that causes the removal of five or more units of low-income housing, a housing impact statement must be prepared and made available for public inspection by the state agency, board, commission, or local government unit providing the public funds. A housing impact statement must include the following:*

*(1) the adverse impact on low-income housing as a result of a development project's activity;*

*(2) whether or not the affected community has a sufficient amount of affordable housing to accommodate low-income persons displaced by the development project; and*

*(3) the amount, type, and cost of replacement housing that is necessary.*

*This section does not apply to property that has been vacant for two or more years.*

Sec. 7. Minnesota Statutes 1988, section 580.031, is amended to read:

## 580.031 [MINIMUM NOTICE.]

*Subdivision 1. [EIGHT WEEKS' NOTICE.] Notwithstanding the provisions of any other law to the contrary and except as otherwise provided in subdivision 2, eight weeks' published notice must be given prior to the foreclosure sale of a homestead to which sections 583.01 to 583.12 apply if the notice is published for the first time after May 24, 1983, and prior to May 1, 1985, after June 8, 1985, and prior to May 1, 1987, or after the effective date of Laws 1987, chapter 292, and prior to May 1, 1989. The notice must contain the information specified in section 580.04.*

At least eight weeks before the appointed time of sale, a copy of the notice must be served upon the person in possession of the mortgaged premises, if the premises are actually occupied.

*Subd. 2. [FOUR WEEKS' NOTICE.] Notwithstanding subdivision 1, four weeks' published notice may be given prior to the foreclosure sale of an abandoned nonagricultural residential dwelling consisting of less than five units; provided that the following conditions are met:*

*(1) the mortgage on the property is in default for more than 60 days;*

*(2) the mortgagee conducts a personal inspection of the mortgaged property;*

*(3) the sheriff or deputy in the county in which the mortgaged property is located posts on the mortgaged premises a notice stating that the mortgagee has conducted a personal inspection of the mortgaged property and the inspection revealed that the mortgaged property is unoccupied;*

*(4) the mortgagee mails a notice by certified mail to the mortgagor at the mortgagor's last known address. The notice must specify that the mortgagee considers the premises abandoned and that the mortgagor will lose all rights of ownership 30 days after the foreclosure sale unless the mortgagor, the mortgagor's heirs, executor, administrator, personal representative or assign or a person lawfully claiming from or under one of them provides the notice required under clause (5);*

*(5) the mortgagor, mortgagor's heirs, executor, administrator, personal representatives or assigns, or a person lawfully claiming from or under one of them, does not provide written notice within 15 days after receipt of the notice required by clause (4), that the mortgaged premises are not abandoned; and*

*(6) the mortgagee has filed an affidavit in the office of the county recorder or registrar of titles in the county in which the mortgaged property is located, stating that the conditions in clauses (1) to (5) have been met, along with a legal description of the mortgaged property.*

*Subd. 3. [ABANDONMENT; PRESUMPTION.] If foreclosure proceedings have been brought under subdivision 2, the mortgaged property is conclusively presumed to be abandoned if the conditions in subdivision 2 have been met.*

*Subd. 4. [APPLICABILITY.] The four-week notice provision under subdivision 2 applies only to abandoned nonagricultural residential dwellings consisting of less than five units for which a mortgage is recorded after December 31, 1989.*

Sec. 8. Minnesota Statutes 1988, section 580.23, is amended by adding a subdivision to read:

*Subd. 1a. [UNOCCUPIED PROPERTY.] Notwithstanding subdivision 1, the mortgagor, the mortgagor's heirs, executor, administrator, personal representatives or assigns, or a person lawfully claiming from or under one of them, within 30 days after a sale, may redeem abandoned non-agricultural residential dwellings consisting of less than five units foreclosed under section 7, subdivisions 2 to 4.*

Sec. 9. Minnesota Statutes 1988, section 580.23, is amended by adding a subdivision to read:

*Subd. 4. [APPLICABILITY OF 30-DAY REDEMPTION.] The 30-day redemption period for an abandoned nonagricultural residential dwelling consisting of less than five units as provided in section 8 applies only to property for which a mortgage is recorded after December 31, 1989.*

Sec. 10. Laws 1971, chapter 333, as amended by Laws 1973, chapter 534, is amended by adding a section to read:

**Sec. 3a. [DAKOTA COUNTY HOUSING AND REDEVELOPMENT AUTHORITY; PERFORMANCE BONDS.]**

*Notwithstanding Minnesota Statutes, section 469.015, subdivision 3, a performance bond is not required for any works of single family housing construction undertaken by the authority if the authority determines that the cost of a performance bond is greater than the benefit of the bond.*

Sec. 11. Laws 1974, chapter 475, is amended by adding a section to read:

**Sec. 2a. [WASHINGTON COUNTY HOUSING AND REDEVELOPMENT AUTHORITY; PERFORMANCE BONDS.]**

*Notwithstanding Minnesota Statutes, section 469.015, subdivision 3, a performance bond is not required for any works of single family housing construction undertaken by the authority if the authority determines that the cost of a performance bond is greater than the benefit of the bond.*

**Sec. 12. [APPROPRIATION.]**

*§ . . . . . is appropriated from the general fund to the commissioner of human rights for the fair housing education and public information program.*

**Sec. 13. [EFFECTIVE DATE.]**

*Section 10 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the Dakota county housing and redevelopment authority.*

*Section 11 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the Washington county housing and redevelopment authority.*

## ARTICLE 5

### SPECIAL LAWS

**Section 1. [DEFINITION.]**

*"City" means the city of Saint Paul and the city of Minneapolis for purposes of sections 2 to 5.*

Sec. 2. Laws 1974, chapter 285, section 2, is amended to read:

Sec. 2. [~~CITY OF MINNEAPOLIS; HOUSING REHABILITATION LOAN PROGRAM.~~] The city of ~~Minneapolis~~ is authorized to develop and administer a housing rehabilitation loan program with respect to property located anywhere within its boundaries on such terms and conditions as it determines; provided that in approving applications for ~~this such a program~~, the following factors shall be considered:

(1) The availability of other governmental programs affordable by the applicant;

(2) The availability and affordability of private market financing;

(3) Whether the housing is required, pursuant to an urban renewal program or a code enforcement program, to be repaired, improved, or rehabilitated;

(4) Whether the housing is required, pursuant to a court order issued under Minnesota Statutes, 1973 Supplement, Section 566.25, Clauses (b), (c), and (e), to be repaired, improved, or rehabilitated;

(5) Whether the housing has been determined to be uninsurable because of physical hazards after inspection pursuant to a statewide property insurance plan approved by the United States Department of Housing and Urban Development under Title XII of the National Housing Act; and ~~further provided that all loans and grants shall be issued primarily for rehabilitating housing so that it meets applicable housing codes.~~

(6) *Whether rehabilitation of the housing will maintain or improve the value of the housing and will help to stabilize the neighborhood in which the housing is located.*

Sec. 3. Laws 1974, chapter 285, is amended by adding a section to read:

Sec. 2a. [NEW SINGLE FAMILY RESIDENCES.]

*Any housing rehabilitation loan program undertaken under section 2 may also provide for the city to make or purchase loans made to finance the acquisition of single family residences that have been newly constructed in established neighborhoods on land owned by the city or any agency of the city. For purposes of this section, land shall be considered to be owned by the city if the city or one of its agencies previously owned the land and conveyed it to an individual under a development agreement in which the individual has agreed to construct single family housing on such land. In approving applications for a loan to be made under this section, the following factors shall be considered:*

*(1) the availability and affordability of other governmental programs or private market financing; and*

*(2) whether the construction of such housing enhances the stability of the neighborhood in which it is located.*

Sec. 4. Laws 1974, chapter 285, section 3, is amended to read:

Sec. 3. [~~CITY OF MINNEAPOLIS; HOUSING REHABILITATION GRANT PROGRAM.~~] The city of ~~Minneapolis~~ is authorized to develop and administer a housing rehabilitation grant program with respect to property within its boundaries, on such terms and conditions as it determines; provided that in approving applications for *grants under this program*, all of the considerations and limitations enumerated in section 2 for loans must be considered ~~in making grants under this program~~; and the following

factors must also be considered:

(1) Whether the housing unit is a single family dwelling or homesteaded unit and

(2) Whether the applicant is a person of low income; and further provided that the city council ~~of the city of Minneapolis~~ shall by ordinance set forth the regulations for ~~this~~ its grant program; and further provided that the dollar value of grants made shall not exceed five percent of the total value of the bonds issued for the loan and grant program together, *and that all grants shall be made primarily to rehabilitate housing so that it meets applicable housing codes.*

Sec. 5. Laws 1974, chapter 285, section 4, is amended to read:

Sec. 4. [ISSUANCE OF BONDS.] To finance the programs authorized in sections 2, 2a, and 3 of this act, the governing body of the city of ~~Minneapolis~~ may by resolution authorize, issue, and sell general obligation bonds of the city of ~~Minneapolis~~ in accordance with the provisions of Minnesota Statutes, Chapter 475. The total amount of all bonds outstanding for the programs shall not exceed ~~\$10,000,000~~ \$25,000,000. The amount of all bonds issued shall be included in the net indebtedness of the city for the purpose of any charter or statutory debt limitation.

Sec. 6. [EFFECTIVE DATE.]

*Sections 1 to 5 are effective the day after enactment without local approval in accordance with Minnesota Statutes, section 645.023, subdivision 1, clause (a)."*

Delete the title and insert:

"A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing a rent escrow system; providing mandatory building repair fines; authorizing a housing calendar consolidation pilot project in Hennepin and Ramsey counties; reducing property taxes on certain types of residential rental property; authorizing a tax levy for public housing; establishing a fair housing education and public information program; requiring housing impact statements; revising certain housing receivership provisions; changing notice and redemption provisions for certain types of properties; providing for city housing rehabilitation loan programs; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 273.13, subdivision 25; 462A.03, by adding a subdivision; 462A.05, subdivision 27, and by adding subdivisions; 462A.08, by adding a subdivision; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 463.21; 469.012, subdivision 1; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 580.031; and 580.23, by adding subdivisions; Laws 1971, chapter 333, as amended; Laws 1974, chapters 285, sections 2, 3, 4, and by adding a section; and 475; proposing coding for new law in Minnesota Statutes, chapters 129A; 268; 363; 462A; 462C; 471; 504; and 566."

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. 933, 477, 1191, 834, 1169, 486, 927, 1014, 1283, 783, 613, 1079, 1258, 1009, 105, 970, 598, 1085, 542, 583, 1042, 49, 744 and 1444 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 707, 770 and 1056 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Ramstad moved that the name of Mr. Marty be added as a co-author to S.F. No. 283. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Bertram be added as a co-author to S.F. No. 678. The motion prevailed.

Mr. Knaak moved that the name of Mr. Larson be added as a co-author to S.F. No. 1385. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Marty be added as a co-author to S.F. No. 1392. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Schmitz be added as a co-author to S.F. No. 1419. The motion prevailed.

Mr. Schmitz moved that the names of Mr. Taylor and Mrs. Adkins be added as co-authors to S.F. No. 1441. The motion prevailed.

Mr. Pogemiller moved that the names of Messrs. Merriam and Dahl be added as co-authors to S.F. No. 1442. The motion prevailed.

Mr. Vickerman introduced—

Senate Resolution No. 97: A Senate resolution commending Jason Gaes, 11 years old, of Worthington, Minnesota, for the hope and encouragement he has given to cancer patients and their families.

Referred to the Committee on Rules and Administration.

Mrs. Lantry and Mr. Bertram introduced—

Senate Resolution No. 98: A Senate resolution commending Richard J. Carroll, of St. Paul, Minnesota, on his effective and dedicated community service.

Referred to the Committee on Rules and Administration.

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

Senate Concurrent Resolution No. 7: A Senate concurrent resolution commending retiring University of Minnesota Regents: the Honorable Wally Hilke, the Honorable David M. Lebedoff, the Honorable Charles F. McGuiggan, and the Honorable Wenda W. Moore.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 7 be laid on the table. The motion prevailed.

Mr. Cohen moved that the name of Mr. Marty be added as a co-author to S.F. No. 993. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Dicklich be added as a co-author to S.F. No. 1289. The motion prevailed.

Mr. Frank moved that the name of Ms. Piper be added as a co-author to S.F. No. 1334. The motion prevailed.

Mr. Spear moved that the name of Ms. Piper be added as a co-author to S.F. No. 1375. The motion prevailed.

Mr. Luther moved that the name of Ms. Piper be added as a co-author to S.F. No. 1382. The motion prevailed.

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**

S.F. No. 936: A bill for an act relating to state lands; authorizing exchange of state property with city of St. Cloud.

Was read the third time 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	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	Olson	Solon
Bernhagen	Frederick	Lantry	Pariseau	Spear
Bertram	Frederickson, D.J.	Larson	Pehler	Storm
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brataas	Freeman	Marty	Peterson, R.W.	
Chmielewski	Gustafson	McGowan	Piper	
Cohen	Hughes	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 1080: A bill for an act relating to state lands; conveying title to state land in St. Cloud.

Was read the third time 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	Pogemiller
Anderson	Davis	Knaak	Merriam	Purfeerst
Beckman	Decker	Knutson	Metzen	Ramstad
Belanger	DeCramer	Kroening	Moe, D.M.	Reichgott
Benson	Dicklich	Laidig	Moe, R. D.	Renneke
Berg	Frank	Langseth	Morse	Samuelson
Berglin	Frederick	Lantry	Novak	Schmitz
Bernhagen	Frederickson, D.J.	Larson	Olson	Solon
Bertram	Frederickson, D.R.	Lessard	Pariseau	Spear
Brandl	Freeman	Luther	Pehler	Storm
Brataas	Gustafson	Marty	Peterson, D.C.	Stumpf
Chmielewski	Hughes	McGowan	Peterson, R. W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	

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. 778 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 778: A bill for an act relating to human services; authorizing general assistance medical care payments for patients in facilities determined to be institutions for mental diseases; creating an exception to negotiated rate facility limits for institutions for mental diseases; appropriating money.

Was read the third time 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.	Mehrkens	Pogemiller
Anderson	Decker	Knaak	Merriam	Purfeerst
Beckman	DeCramer	Knutson	Metzen	Ramstad
Belanger	Dicklich	Kroening	Moe, D.M.	Reichgott
Benson	Diessner	Laidig	Moe, R. D.	Renneke
Berg	Frank	Langseth	Morse	Samuelson
Berglin	Frederick	Lantry	Novak	Schmitz
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pariseau	Storm
Brandl	Freeman	Luther	Pehler	Stumpf
Brataas	Gustafson	Marty	Peterson, D.C.	Vickerman
Chmielewski	Hughes	McGowan	Peterson, R. W.	
Cohen	Johnson, D.E.	McQuaid	Piper	

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. Chmielewski reported that the committee had considered the following:

S.F. No. 1051, which the committee recommends to pass.

S.F. No. 223, which the committee recommends to pass, after the following motion:

The question was taken on the recommendation to pass S.F. No. 223.

The roll was called, and there were yeas 32 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Langseth	Moe, D.M.	Samuelson
Belanger	Dicklich	Lantry	Moe, R.D.	Spear
Berg	Frederick	Lessard	Morse	Storm
Bertram	Frederickson, D.J.	Marty	Novak	Stumpf
Chmielewski	Frecman	Mehrkens	Peterson, D.C.	
Cohen	Johnson, D.J.	Merriam	Peterson, R.W.	
Davis	Kroening	Metzen	Piper	

Those who voted in the negative were:

Anderson	Dahl	Knaak	Olson	Renneke
Beckman	Decker	Knutson	Pariseau	Schmitz
Benson	Diessner	Laidig	Pehler	Vickerman
Berglin	Frank	Larson	Pogemiller	
Bernhagen	Frederickson, D.R.	Luther	Purfeerst	
Brandl	Gustafson	McGowan	Ramstad	
Braataas	Johnson, D.E.	McQuaid	Reichgott	

The motion prevailed. So S.F. No. 223 was recommended to pass.

S.F. No. 361, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 2, line 15, strike "other than minor"

Page 2, line 16, strike "children" and delete the new language

Page 2, line 18, after the comma, insert "*other than adults who have been adjudicated as incompetent and minor children.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 297, which the committee recommends to pass with the following amendment offered by Mr. Berg:

Page 1, after line 12, insert:

*"Persons hunting in a party must:*

*(1) be hunting in the same area or field at the same time;*

*(2) be within unaided visual or unaided vocal contact; and*

*(3) have licenses and game readily available for inspection by an enforcement officer."*

The motion prevailed. So the amendment was adopted.

S.F. No. 299, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Page 2, lines 10 and 16, delete "*must*" and insert "*may*"

Page 2, line 12, delete "*The*" and insert "*A*"

Page 2, delete line 18

Page 2, line 19, after the period, insert "*The court shall state a reason or reasons for failure to impose restitution.*"

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**

Mr. Johnson, D.J. moved that S.F. No. 927, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Dahl moved that S.F. No. 227 be taken from the table. The motion prevailed.

S.F. No. 227: A bill for an act relating to health; enacting the uniform determination of death act; proposing coding for new law in Minnesota Statutes, chapter 145.

Mr. Dahl moved that the Senate do not concur in the amendments by the House to S.F. No. 227, 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.

**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. 1444 and that the rules of the Senate be so far suspended as to give S.F. No. 1444, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1444: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding.

Was read the third time 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	Metzen	Ramstad
Anderson	Davis	Knutson	Moe, D.M.	Reichgott
Beckman	Decker	Laidig	Moe, R.D.	Renneke
Belanger	Dicklich	Langseth	Morse	Samuelson
Benson	Diessner	Lantry	Novak	Schmitz
Berg	Frank	Larson	Olson	Solon
Berglin	Frederick	Lessard	Pariseau	Spear
Bernhagen	Frederickson, D.J.	Luther	Pehler	Storm
Bertram	Frederickson, D.R.	Marty	Peterson, D.C.	Stumpf
Brandl	Freeman	McGowan	Peterson, R.W.	Vickerman
Brataas	Gustafson	McQuaid	Piper	
Chmielewski	Johnson, D.E.	Mehrrens	Pogemiller	
Cohen	Johnson, D.J.	Merriam	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:

S.F. No. 227: Messrs. Dahl, Spear and Knaak.

H.F. No. 95: Ms. Peterson, D.C.; Messrs. Moe, D.M. and Belanger.

Mr. Moe, R.D. moved that the foregoing appointments be approved. 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 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. Johnson, D.J. introduced—

S.F. No. 1445: A bill for an act relating to taxation; providing for submission of tax expenditure budget every four years; repealing the Minnesota unfair cigarette sales act; removing requirement that owners file copies of certificate of rent paid with commissioner; changing cigarette distribution subjobber licensing fees and other requirements; eliminating certain surety bonds; appropriating money; amending Minnesota Statutes 1988, sections 270.06; 270.067, subdivisions 1 and 2; 290A.19; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, 6, and 9; 297.041, subdivision 1; 297.06, subdivision 3; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 297C.03, subdivision 1; and 298.28, by adding a subdivision; repealing Minnesota Statutes 1988, sections 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297C.03, subdivisions 4 and 4a; and 325D.30 to 325D.42.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 1446: A bill for an act relating to human services; expanding the family subsidy program for families with children who have mental retardation or related conditions; providing for an evaluation of the program by families receiving a subsidy; amending Minnesota Statutes 1988, section 252.32, subdivisions 1, 2, and 3.

Referred to the Committee on Health and Human Services.

Messrs. Solon, Lessard and Metzen introduced—

S.F. No. 1447: A bill for an act relating to resource development; requiring a research study on the effect of aspen thinning; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon; Lessard; Johnson, D.J.; Benson and Luther introduced—

S.F. No. 1448: A bill for an act relating to tourism; authorizing the commissioner of trade and economic development to make or participate in tourism-related loans; appropriating money; proposing coding for new law in chapter 116J.

Referred to the Committee on Economic Development and Housing.

Mr. Schmitz introduced—

S.F. No. 1449: A bill for an act relating to taxation; increasing the maximum targeting credit for taxes payable in 1989; amending Minnesota Statutes 1988, section 290A.04, subdivision 2h.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 1450: A bill for an act relating to health care; establishing an employee health care corporation to provide health coverage for uninsured workers; establishing eligibility requirements for coverage; requiring employers who do not offer subsidized health coverage to contribute to the fund; requiring a plan and report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62E.

Referred to the Committee on Commerce.

Mr. Waldorf introduced—

S.F. No. 1451: A bill for an act relating to taxation; requiring payment of full six percent excise tax by buyer of collector vehicle who reregisters the vehicle for street use within one year of the sale; amending Minnesota Statutes 1988, section 297B.025, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Waldorf introduced—

S.F. No. 1452: A bill for an act relating to education; requiring post-secondary education systems to include appropriate educational services for handicapped adults in their system plans; establishing a task force on education and training for handicapped adults; requiring a directory of education and training services for handicapped adults; amending Minnesota Statutes 1988, section 135A.06, subdivision 3.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 1453: A bill for an act relating to human services; providing for cost-based reimbursement for outpatient services provided by pediatric specialty hospitals to children under age 18 under the medical assistance and general assistance medical care programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Ms. Piper introduced—

S.F. No. 1454: A bill for an act relating to taxation; income; exempting tier one railroad retirement benefits; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bernhagen; Benson; Frederickson, D.R.; Johnson, D.E. and Storm introduced—

S.F. No. 1455: A bill for an act relating to taxation; income; providing indexing of tax brackets for taxable years beginning after December 31, 1988; amending Minnesota Statutes 1988, section 290.06, subdivision 2d.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.J.; Pogemiller and Brandl introduced—

S.F. No. 1456: A bill for an act relating to food packaging; requiring certain packaging to be environmentally acceptable packaging; providing exemptions; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 31.

Referred to the Committee on Environment and Natural Resources.

Mrs. Adkins introduced—

S.F. No. 1457: A bill for an act relating to education; reestablishing an equalized summer program aid and levy; amending Minnesota Statutes 1988, section 124.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 1458: A bill for an act relating to child abuse; including teachers among persons covered by laws prohibiting malicious punishment and unreasonable restraint of children; providing penalties; amending Minnesota Statutes 1988, sections 609.255, subdivision 3; and 609.377.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. introduced—

S.F. No. 1459: A bill for an act relating to financial institutions; establishing a system for the reporting and rating of community investment by financial institutions; proposing coding for new law in Minnesota Statutes, chapter 47.

Referred to the Committee on Commerce.

Mr. Waldorf introduced—

S.F. No. 1460: A bill for an act relating to economic development; regulating the jobs skills partnership program; amending Minnesota Statutes 1988, sections 116L.02; 116L.03, subdivision 7, and by adding a subdivision; 116L.04, subdivision 1; repealing Laws 1983, chapter 334, section 7, as amended.



Referred to the Committee on Governmental Operations.

Mr. Johnson, D.E. introduced—

S.F. No. 1461: A bill for an act relating to traffic regulations; prohibiting sales of certain trailers without service brakes; amending Minnesota Statutes 1988, section 169.67, subdivision 4, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. DeCramer and Davis introduced—

S.F. No. 1462: A bill for an act relating to conservation; use of windbreaks on conservation acreage; amending Minnesota Statutes 1988, sections 40.43, subdivision 3; and 272.02, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

Mr. Solon introduced—

S.F. No. 1463: A bill for an act relating to commerce; securities; authorizing the issuance of stop orders on certain registration statements; amending Minnesota Statutes 1988, section 80A.13, subdivision 1.

Referred to the Committee on Commerce.

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

S.F. No. 1464: A bill for an act relating to education; authorizing charter schools; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Ms. Piper introduced—

S.F. No. 1465: A bill for an act relating to education; requiring the commissioner of education to plan to establish four regional foreign language immersion schools and centers.

Referred to the Committee on Education.

Ms. Piper introduced—

S.F. No. 1466: A bill for an act relating to traffic regulations; school buses; requiring passenger seat belts on new school buses purchased after January 1, 1990; amending Minnesota Statutes 1988, section 169.44, subdivision 9.

Referred to the Committee on Transportation.

Mr. Spear introduced—

S.F. No. 1467: A bill for an act relating to state government; adding members to the council on Asian-Pacific Minnesotans; amending Minnesota Statutes 1988, section 3.9226, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Metzen introduced—

S.F. No. 1468: A bill for an act relating to capital improvements; appropriating money for improvements for redevelopment in South St. Paul; providing for the issuance of state building bonds.

Referred to the Committee on Finance.

Mr. Davis introduced—

S.F. No. 1469: A bill for an act relating to agriculture; establishing a legislative commission on research in agriculture; providing for an advisory board on agricultural research; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 3 and 17.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Merriam, Freeman, Samuelson, Purfeerst and Mrs. McQuaid introduced—

S.F. No. 1470: A bill for an act relating to telecommunications devices for the deaf; requiring the metropolitan airports commission and certain bus stations to provide telecommunications devices for deaf people; amending Minnesota Statutes 1988, section 473.608, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256C.

Referred to the Committee on Health and Human Services.

Mr. Metzen introduced—

S.F. No. 1471: A bill for an act relating to consumer protection; regulating deceptive trade practices; requiring manufacturers' rebates to be paid to purchasers within 30 business days; amending Minnesota Statutes 1988, section 325D.44, subdivision 1, and by adding a subdivision.

Referred to the Committee on Commerce.

Mrs. Brataas, Messrs. Samuelson, Dicklich, DeCramer and Knaak introduced—

S.F. No. 1472: A bill for an act relating to taxation; exempting from taxation the gasoline and special fuel purchased by certain transit systems; amending Minnesota Statutes 1988, sections 296.02, subdivision 1a; and 296.025, subdivision 1a.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dahl, Frank, Davis, Merriam and Pehler introduced—

S.F. No. 1473: A bill for an act relating to the environment; providing for mitigation of the greenhouse effect by imposing a surcharge on motor vehicles and on facilities permitted by the pollution control agency; establishing a carbon dioxide tree planting account; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Mr. Bertram introduced—

S.F. No. 1474: A bill for an act relating to judgments; providing that certain employee retirement benefits are exempt from seizure or sale for the payment of a debt or liability to the extent the benefits are reasonably necessary for support; amending Minnesota Statutes 1988, section 550.37, subdivision 24.

Referred to the Committee on Judiciary.

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

S.F. No. 1475: A bill for an act relating to state government; extending the term of the citizens council on Voyageurs National Park; amending Minnesota Statutes 1988, section 84B.11, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl; Merriam; Frederickson, D.R.; Mrs. Brataas and Mr. Moe, R.D. introduced—

S.F. No. 1476: A bill for an act relating to appropriations; appropriating funds for programs to identify, protect and manage endangered natural resources, and the county biological survey.

Referred to the Committee on Finance.

Mr. Freeman introduced—

S.F. No. 1477: A bill for an act relating to individual income taxation; allowing a subtraction for certain post-secondary education expenses; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Diessner introduced—

S.F. No. 1478: A bill for an act relating to highway traffic regulations; authorizing counties, cities, towns, and the state to establish roadblock programs designed to apprehend persons driving while under the influence of alcohol or a controlled substance; providing that fines collected from convictions obtained under the roadblock program will be used to fund the programs; requiring a chemical use assessment after conviction of driving while intoxicated or a related offense; requiring treatment of repeat offenders; appropriating money; amending Minnesota Statutes 1988, sections 169.124, subdivision 1; 169.125; 169.126, subdivisions 1, 4, 6, and by adding a subdivision; 299D.03, subdivision 5; 487.33, subdivision 5; 488A.03, subdivision 6; and 488A.20, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1988, sections 169.124, subdivision 3; and 169.126, subdivisions 2 and 3.

Referred to the Committee on Transportation.

Messrs. Marty, Spear and Cohen introduced—

S.F. No. 1479: A bill for an act relating to housing; requiring housing impact statements before displacement of certain low-income housing; requiring state government units to replace certain displaced low-income

housing; providing for enforcement; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

Mr. Peterson, R.W. introduced—

S.F. No. 1480: A bill for an act relating to education; proposing a formula allowance and general education tax capacity rate for fiscal year 1991; amending Minnesota Statutes 1988, sections 124A.22, subdivision 2; and 124A.23, subdivision 1.

Referred to the Committee on Education.

Mr. Lessard introduced—

S.F. No. 1481: A bill for an act relating to state government; appropriating money to the Minnesota amateur sports commission.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Mehrkens introduced—

S.F. No. 1482: A bill for an act relating to state lands; authorizing commissioner of natural resources to convey certain land in Frontenac State Park to adjoining property owners.

Referred to the Committee on Environment and Natural Resources.

Mr. Luther introduced—

S.F. No. 1483: A bill for an act relating to courts; authorizing use of alternative dispute resolution statewide; authorizing the court to order binding alternative dispute resolution with a right to appeal; amending Minnesota Statutes 1988, section 484.74, subdivisions 1, 2, 3, and by adding a subdivision; repealing Minnesota Statutes 1988, section 484.74, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S.F. No. 1484: A bill for an act relating to juvenile courts; extending a repealer of the exemption from the time limit on service as a juvenile court judge; amending Laws 1985, chapter 278, section 2.

Referred to the Committee on Judiciary.

Mr. Marty introduced—

S.F. No. 1485: A bill for an act relating to licensed occupations; providing for the licensure of private detectives and protective agents by the commissioner of public safety; requiring the registration of their employees; setting standards and training requirements for the employees of private detectives and protective agents; abolishing the board of private detective and protective agent services; directing the commissioner of public safety to appoint a private detective and protective agent advisory board; providing penalties; amending Minnesota Statutes 1988, sections 214.01, subdivision 3; and 626.88, subdivision 1; proposing coding for new law as Minnesota

Statutes, chapter 299K; repealing Minnesota Statutes 1988, sections 326.32 to 326.339.

Referred to the Committee on Judiciary.

Mr. Pogemiller introduced—

S.F. No. 1486: A bill for an act relating to retirement; public employees retirement association; clarifying certain provisions; changing administrative requirements; altering member eligibility requirements; changing disability benefit payments; amending Minnesota Statutes 1988, sections 353.01, subdivisions 2a and 2b, and by adding a subdivision; 353.27, subdivision 12; 353.28, subdivisions 5 and 6; 353.29, subdivisions 4 and 7; 353.33, subdivisions 1, 2, 5, 6, and 7; 353.34, subdivision 1; 353.35; 353.64, subdivisions 2 and 3; and 353.656, subdivision 4; repealing Minnesota Statutes 1988, sections 353.01, subdivision 2c; 353.661; and 353.662.

Referred to the Committee on Governmental Operations.

Messrs. Metzen and Novak introduced—

S.F. No. 1487: A bill for an act relating to education; modifying the eligibility for exceptional need revenue; amending Minnesota Statutes 1988, section 124.217, subdivision 1.

Referred to the Committee on Education.

Messrs. Metzen and Knutson introduced—

S.F. No. 1488: A bill for an act relating to education; providing aid to repair damage due to vandalism at Sibley High School; appropriating money.

Referred to the Committee on Education.

Messrs. Morse, Chmielewski and Benson introduced—

S.F. No. 1489: A bill for an act relating to transportation; repealing rule governing rental rates for trucks on highway projects; repealing Minnesota Rules, part 5200.1105.

Referred to the Committee on Employment.

Messrs. Belanger, Benson and Langseth introduced—

S.F. No. 1490: A bill for an act relating to transportation; imposing requirements on contracts for the repair, improvement, maintenance, and construction of highways and highway bridges; amending Minnesota Statutes 1988, section 16B.13.

Referred to the Committee on Transportation.

Messrs. Solon, Samuelson, Ms. Berglin and Mr. Benson introduced—

S.F. No. 1491: A bill for an act relating to human services; establishing a legislative task force to study community action programs in Minnesota; requiring a study.

Referred to the Committee on Health and Human Services.

Mr. Luther, Ms. Peterson, D.C.; Messrs. Cohen, Solon and Metzen introduced—

S.F. No. 1492: A bill for an act relating to commerce; regulating auto rental companies; providing licensing and bonding requirements; providing remedies; proposing coding for new law as Minnesota Statutes, chapter 65C.

Referred to the Committee on Commerce.

Mr. Luther, Ms. Peterson, D.C.; Messrs. Cohen and Knaak introduced—

S.F. No. 1493: A bill for an act relating to human services; clarifying requirements for third party liability for medical expenses paid by medical assistance; amending Minnesota Statutes, section 256B.042, subdivisions 1 and 5.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. introduced—

S.F. No. 1494: A bill for an act relating to the city of Minneapolis; giving the city certain powers pertaining to the delivery of energy and environmental services.

Referred to the Committee on Local and Urban Government.

Mr. Metzen introduced—

S.F. No. 1495: A bill for an act relating to public safety; establishing the board of jail employee training and standards; regulating jail employees; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 214.01, subdivision 3; 214.04, subdivisions 1 and 3; and 364.09; proposing coding for new law in Minnesota Statutes, chapter 214; proposing coding for new law as Minnesota Statutes, chapter 644.

Referred to the Committee on Health and Human Services.

Mr. Berg introduced—

S.F. No. 1496: A bill for an act relating to agriculture; providing coordination of aquiculture programs; requiring reporting to the commissioner of agriculture on aquiculture projects with state funding; defining aquiculture; declaring aquiculture an agricultural pursuit; amending Minnesota Statutes 1988, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Pehler introduced—

S.F. No. 1497: A bill for an act relating to retirement; public employees retirement association; permitting the purchase of prior service by certain persons serving as elected members of a city council.

Referred to the Committee on Governmental Operations.

Mr. McGowan introduced—

S.F. No. 1498: A bill for an act relating to local government; planning and zoning; permitting limited duration for conditional use permits; making explicit the scope of certain statutes; amending Minnesota Statutes 1988, sections 462.358, subdivision 2a; and 462.3595, subdivision 3.

Referred to the Committee on Local and Urban Government.

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

### REPORTS OF COMMITTEES

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. 262: A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating, enforcing violation, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 12 and 26, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 4, and 5; 18B.08, subdivisions 1 and 4; 18B.17, subdivision 2; 18B.18; 18B.20, subdivisions 1, 2, and 3; 18B.21; 18B.25, subdivision 5; 18B.26, subdivisions 1, 3, and 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 3 and 7; 18B.34, subdivisions 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, and 3; 115B.20; 116C.41, subdivision 1; 116E.02; 116E.03; 144.381; 144.382, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 17; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.05; 18B.15; 18B.16; 18B.19; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 6, 1989, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Agriculture and Rural Development”.

Mr. Moe, R.D. moved the adoption of the foregoing Committee Report. The motion prevailed. Amendments adopted. Report adopted.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Johnson, D.J. moved that the name of Mr. Brandl be added as a co-author to S.F. No. 1445. The motion prevailed.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:50 p.m., Wednesday, April 12, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## THIRTIETH DAY

St. Paul, Minnesota, Wednesday, April 12, 1989

The Senate met at 2:50 p.m. and was called to order by the President.

Prayer was offered by Senator Donald Storm.

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

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

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. Purfeerst and Ms. Peterson, D.C. were excused from the Session of today. Mr. Bertram was excused from the Session of today from 2:50 to 3:25 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 7, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
286		23	0841 hours April 7	April 7
	323	25	0840 hours April 7	April 7

Sincerely,  
Joan Anderson Growe  
Secretary of State

April 10, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
	68	27	1654 hours April 7	April 7
	214	28	1655 hours April 7	April 7

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. 114.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 10, 1989

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. 203: A bill for an act relating to intoxicating liquor; authorizing an on-sale liquor license for the Minneapolis convention center, the Orpheum Theatre, and the State Theatre; amending Minnesota Statutes 1988, section 340A.404, subdivision 2; repealing Laws 1973, chapter 505.

Senate File No. 203 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 10, 1989

### CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 203 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 203: A bill for an act relating to intoxicating liquor; authorizing an on-sale liquor license for the Minneapolis convention center, the Orpheum Theatre, the State Theatre, and a restaurant in the city; amending Minnesota Statutes 1988, section 340A.404, subdivision 2; repealing Laws 1973, chapter 505.

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	Decker	Knaak	Metzen	Samuelson
Anderson	DeCramer	Knutson	Moe, D.M.	Schmitz
Beckman	Dicklich	Kroening	Moe, R.D.	Solon
Belanger	Diessner	Langseth	Morse	Spear
Benson	Frederick	Lantry	Novak	Storm
Berg	Frederickson, D.J.	Lessard	Pariseau	Stumpf
Berglin	Frederickson, D.R.	Luther	Pehler	Vickerman
Bernhagen	Freeman	Marty	Peterson, R.W.	Waldorf
Brandl	Gustafson	McGowan	Piper	
Cohen	Hughes	McQuaid	Pogemiller	
Dahl	Johnson, D.E.	Mehrkens	Ramstad	
Davis	Johnson, D.J.	Merriam	Reichgott	

Messrs. Laidig, Larson and Renneke 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 House Files, herewith transmitted: H.F. Nos. 212, 501, 740, 832, 245, 493, 529, 1061, 1352, 1421, 1435 and 1456.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 212: A bill for an act relating to the city of Hibbing; authorizing two additional on-sale liquor licenses.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 247, now on General Orders.

H.F. No. 501: A bill for an act relating to education; vocational technical; allowing purchase of real property by independent school district No. 347.

Referred to the Committee on Education.

H.F. No. 740: A bill for an act relating to education; changing the name of technical institutes to technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1157.

H.F. No. 832: A bill for an act relating to Ramsey county; authorizing the use of certain property for public purposes.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 245: A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 344, now on General Orders.

H.F. No. 493: A bill for an act relating to education; requiring a pupil to identify reasons for enrolling in a nonresident district under the enrollment options program; providing a resident district with notice of a pupil's participation under the program; restricting transfers; restricting participation in extracurricular varsity athletic activities in a nonresident district; amending Minnesota Statutes 1988, section 120.062, subdivisions 4, 6, 9, and by adding a subdivision; repealing Minnesota Statutes 1988, section 120.062, subdivision 8.

Referred to the Committee on Education.

H.F. No. 529: A bill for an act relating to local government; permitting counties, cities, and towns to contribute to certain hospitals; amending Minnesota Statutes 1988, section 376.09; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Local and Urban Government.

H.F. No. 1061: A bill for an act relating to state lands; authorizing conveyance of surplus state real property to Leo A. Hoffmann Center, Inc.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 846.

H.F. No. 1352: A bill for an act relating to intoxicating liquor; authorizing the city of Blaine to issue one additional on-sale license.

Referred to the Committee on Commerce.

H.F. No. 1421: A bill for an act relating to surplus United States government property; directing the commissioner of natural resources to seek acquisition of certain surplus property of the United States government; directing the commissioner to lease the property to a nonprofit organization for development as housing for certain homeless veterans and their families.

Referred to the Committee on Economic Development and Housing.

H.F. No. 1435: A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

Referred to the Committee on Commerce.

H.F No. 1456: A resolution memorializing the President, Congress, and the director of the United States General Services Administration to arrange for prompt lease of certain surplus United States government properties to a nonprofit organization for use as housing for homeless, near homeless, and displaced veterans and their families.

Referred to the Committee on Economic Development and Housing.

## 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. 272. The motion prevailed.

Mr. Pehler from the Committee on Education, to which was referred

S.F No. 1229: A bill for an act relating to education; requiring the state university board to study the feasibility of acquiring a site to broaden services within the metropolitan area and additional, related issues; requiring a joint study with the state board for community colleges; 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. Pehler from the Committee on Education, to which was referred

S.F No. 415: A bill for an act relating to education; appropriating money for "2 + 2" programs at all the metropolitan community colleges.

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

Delete everything after the enacting clause and insert:

"Section 1. [HIGHER EDUCATION COORDINATING BOARD STUDIES.]

*There is appropriated \$ . . . . . for fiscal year 1990 from the general fund to the higher education coordinating board for the following:*

*(1) a study of the educational needs of minority people throughout the state;*

*(2) development of strategies, with the assistance of a task force, to increase minority high school graduates and minority teachers; and*

*(3) analysis of practitioner-oriented graduate programs in the metropolitan area proposed by the systems, development of an inter-system plan with the systems, and review and comment on the system plans.*

*A report and recommendations on each item shall be submitted to the education committees and the higher education finance divisions of the legislature by January 1, 1990."*

Delete the title and insert:

"A bill for an act relating to education; appropriating money for certain higher education coordinating board studies."

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. 703: A bill for an act relating to education; reauthorizing program improvement grants; providing an exception to consolidation timelines; appropriating money; amending Minnesota Statutes 1988, sections 122.23, by adding a subdivision; and 129B.11, subdivisions 1 and 2.

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

Page 1, line 12, delete "*during*" and insert "*July 1 of*" and after "*if*" insert "*all of*"

Page 1, line 13, after "*all*" insert "*of the*" and delete "*for the*" and insert "*of the teachers*"

Page 1, line 14, delete everything before "*agree*"

Page 1, line 15, delete "*unanimous*"

Page 2, lines 14 to 18, reinstate the stricken language and delete the new language

Page 2, lines 19 to 33, reinstate the stricken language

Pages 2 and 3, delete section 4

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

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. 1331: A bill for an act relating to Itasca county; authorizing a petition to annex unorganized territory to the town of Spang to be signed by residents of the town.

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. 1341: A bill for an act relating to Goodhue county; permitting the county to establish certain payment procedures.

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. 1252: A bill for an act relating to local government; the towns of Crystal Bay, Beaver Bay, and Stony River, the cities of Beaver Bay and Silver Bay, and Unorganized Territory No. 1; permitting the establishment

of a medical clinic district.

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

Page 7, after line 10, insert:

“Sec. 6. [COOK COUNTY; HOSPITAL APPROPRIATION.]

*Notwithstanding the limitations of Minnesota Statutes, section 376.08, the board of commissioners of Cook county may appropriate up to \$240,000 from the proceeds of the 1988 general county levy for taxes payable in 1989 for the cost of acquiring, constructing, improving, altering, equipping, maintaining, and operating hospitals within the county.*

Sec. 7. [COOK COUNTY; HOSPITAL DISTRICT.]

*Subdivision 1. [CREATION; REFERENDUM.] The board of commissioners of Cook county may by resolution create a Cook county hospital district. The resolution providing for creation of the district must be published in the official newspaper of the county. If within ten days after the publication a petition is filed with the county board that is signed by qualified voters of the county at least equal in number to ten percent of the number of voters voting at the most recent election of county commissioners, requesting a referendum on the resolution, it shall not be effective until it is approved by a majority of qualified voters voting on the question at a special or general election.*

*Subd. 2. [OPERATION OF DISTRICT.] A hospital district created under this section shall be subject to Minnesota Statutes, sections 397.06 to 397.102, except as provided otherwise in this act.*

*Subd. 3. [BOARD.] Notwithstanding Minnesota Statutes, section 397.06, the board of the district shall be comprised of one member from each county commissioner district elected by the voters at the first general election in the county after the resolution has become effective. After the 1992 general election, the term of each board member shall be four years or until a successor has been elected and qualified. Terms shall begin on the first day of January following the election. If members are elected in 1990, their terms shall be two years.*

*When the district is first created, the county commissioner from each district shall appoint a member of the board to serve until the commencement of the term of a successor. Thereafter when a vacancy occurs, the county commissioner from the district affected shall appoint a member to serve until January 1 following the next general election in the county, when a successor shall be elected for a regular term or the unexpired remainder of the regular term.*

*Subd. 4. [TAX LEVY.] The tax levied under Minnesota Statutes, section 397.09, shall not exceed \$300,000 in any year, and its proceeds may be used for all purposes of the hospital district.*

Sec. 8. Laws 1988, chapter 645, section 1, subdivision 1, is amended to read:

*Subdivision 1. [ST. LOUIS COUNTY.] The St. Louis county board may, acting for the unorganized townships listed in this subdivision, request the annexation of those townships to a hospital district to be organized under Minnesota Statutes, sections 447.31 to 447.37, that includes the city of Cook and the city of Orr as well as other townships in Koochiching county*

and St. Louis county. The unorganized townships are: 61 North, Range 17 West; 62 North, Range 21 West; 63 North, Range 21 West; 63 North, Range 19 West; 64 North, Range 21 West; ~~64 North, Range 18 West;~~ 65 North, Range 21 West; 66 North, Range 21 West; 66 North, Range 20 West; 66 North, Range 19 West; 67 North, Range 21 West; 67 North, Range 20 West; 67 North, Range 19 West; 67 North, Range 18 West; 67 North, Range 17 West; 68 North, Range 21 West; 68 North, Range 20 West; 68 North, Range 19 West; 68 North, Range 18 West; 68 North, Range 17 West; 69 North, Range 21 West; 69 North, Range 20 West; 69 North, Range 19 West; 69 North, Range 18 West; 69 North, Range 17 West; 70 North, Range 21 West; 70 North, Range 20 West; 70 North, Range 19 West; 70 North, Range 18 West; 71 North, Range 21 West; ~~and 71 North, Range 20 West;~~ *62 North, Range 17 West; 63 North, Range 17 West; 64 North, Range 17 West; 64 North, Range 16 West; 65 North, Range 16 West; 66 North, Range 16 West; and 67 North, Range 16 West.*

Sec. 9. Laws 1988, chapter 645, section 1, is amended by adding a subdivision to read:

*Subd. 5. [PRIOR REFERENDUM.] A referendum held under Minnesota Statutes, section 447.31, subdivision 3, is valid notwithstanding a subsequent amendment to Laws 1988, chapter 645.*

Sec. 10. Laws 1988, chapter 645, section 4, is amended to read:

Sec. 4. [TRANSFER OF FACILITIES OF CITY OF COOK.]

The city of Cook may transfer title and interest in its hospital and nursing home, including the real estate, building, and equipment, to the hospital district created under this act for no consideration. All *bonded* obligations incurred prior to the transfer in connection with the construction or operation of the hospital and nursing home shall remain as the exclusive obligation of the city of Cook."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, before the period, insert "; permitting a hospital appropriation by the Cook county board; authorizing the establishment of a Cook county hospital district; adding and removing certain unorganized territory from a St. Louis county hospital district; validating hospital referenda; providing for certain bonded indebtedness of the city of Cook; amending Laws 1988, chapter 645, sections 1, subdivision 1, and by adding a subdivision; and 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. Schmitz from the Committee on Local and Urban Government, to which was re-referred

S.F. No. 956: A bill for an act relating to waste management; requiring a county that enters a contract with the state for the siting and development of a stabilization and containment facility to hold a binding referendum on implementation of the contract; amending Minnesota Statutes 1988, section 115A.191, by adding a subdivision.

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



Page 1, line 15, delete “, prior to November 15,”

Page 1, line 16, delete “1989,”

Page 1, line 17, before the period, insert “at the general election to be held on November 6, 1990”

Page 1, line 18, delete everything after “held”

Page 1, line 19, delete “county” and insert “after the parties to the contract”

Page 2, line 8, delete “shall” and insert “may”

Page 2, delete section 2

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. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1234: A bill for an act relating to employment; providing for demonstration grants for the youth employment and housing for homeless program; appropriating money; amending Minnesota Statutes 1988, section 268.361, subdivision 4, and by adding a subdivision; 268.362; 268.364; 268.365; 268.366; and 268.367.

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

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

S.F. No. 1034: A bill for an act relating to probate; changing procedure for notice to certain creditors; changing certain time limits; amending Minnesota Statutes 1988, sections 524.3-801; 524.3-802; 524.3-803; and 524.3-807.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 23 to 25

Page 2, delete lines 1 to 36

Page 3, delete lines 1 to 3 and insert:

“(b)(1) Within three months after: (i) the date of the first publication of the notice; or (ii) the effective date of this section, whichever is later, the personal representative may determine, in the personal representative’s discretion, that it is or is not advisable to conduct a reasonably diligent search for creditors of the decedent who are either not known or not identified. If the personal representative determines that a reasonably diligent search is advisable, the personal representative shall conduct the search.

(2) If the notice is first published after the effective date of this section, the personal representative shall, within three months after the date of the first publication of the notice, serve a copy of the notice upon each then known and identified creditor in the manner provided in paragraph (c). If notice was first published under the applicable provisions of law under

*the direction of the court administrator before the effective date of this section and if a personal representative is empowered to act at any time after the effective date of this section, the personal representative shall, within three months after the effective date of this section, serve upon the then known and identified creditors in the manner provided in paragraph (c) a copy of the notice as published, together with a supplementary notice requiring each of the creditors to present any claim within one month after the date of the service of the notice or be forever barred."*

Page 3, delete lines 15 to 24 and insert:

*"(c) The personal representative shall serve a copy of any notice and any supplementary notice required by paragraph (b), clause (1) or (2), upon each creditor of the decedent who is then known to the personal representative and identified, except a creditor whose claim has either been presented to the personal representative or paid, either by delivery of a copy of the required notice to the creditor, or by mailing a copy of the notice to the creditor by certified, registered, or ordinary first class mail addressed to the creditor at the creditor's office or place of residence."*

Page 5, line 30, delete "earlier" and insert "earliest"

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. 572: A bill for an act relating to crimes; increasing the penalty for falsely reporting child abuse to influence child custody hearing; amending Minnesota Statutes 1988, section 609.507.

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. 1040: A bill for an act relating to mechanics' liens; clarifying and simplifying the contractors' and subcontractors' notice; amending Minnesota Statutes 1988, section 514.011, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 23, strike "unless,"

Page 3, strike line 24

Page 3, line 25, strike everything before the period

Page 3, line 35, delete "have"

Page 3, line 36, delete "prior to receipt of" and insert "before receiving"

Page 3, after line 36, insert:

"Sec. 3. Minnesota Statutes 1988, section 514.011, is amended by adding a subdivision to read:

*Subd. 6. [USE OF FORMER NOTICE PERMITTED.] Until August 1, 1990, a notice given in conformity with subdivisions 1 and 2 of Minnesota Statutes 1988 is valid.*

Sec. 4. [REPEALER.]

*Section 3 is repealed effective August 1, 1990."*

Amend the title as follows:

Page 1, line 5, delete "and" and insert a comma and before the period, insert ", and 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 re-referred

S.F. No. 476: A bill for an act relating to game and fish; prohibiting harassment of persons taking wild animals; 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 1, line 12, delete everything after the period

Page 1, delete lines 13 to 15

Page 1, delete lines 20 to 25

Page 2, delete lines 1 to 6

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1235: A bill for an act relating to agricultural societies; permitting county board members to serve on societies; amending Minnesota Statutes 1988, section 38.04.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, delete everything after the period and insert "*Service on the county agricultural society board or as an officer of the board is not a public office. Elected officials of the state or its political subdivisions may serve on the board or be elected as officers.*"

Page 1, delete lines 13 and 14

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "clarifying that society board members and officers are not public officials, and that elected officials may serve on the board or as officers"

Page 1, line 3, delete everything before the semicolon

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. 1253: A bill for an act relating to metropolitan government; regulating the borrowing authority of the regional transit board; amending Minnesota Statutes 1988, section 473.39, subdivision 1a, and 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. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 847: A bill for an act relating to transportation; deregulating persons who provide transportation service under contract to and with assistance from the department of transportation; amending Minnesota Statutes 1988, sections 221.022; 221.025; and 221.031, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after "*regulate*" insert "*passenger transportation*"

Page 3, line 11, delete everything after "(o)" and insert "*passenger transportation service provided under*"

Page 3, line 16, delete everything after the comma and insert "*providers of passenger transportation*"

Page 3, line 21, after the period, insert "*This subdivision does not apply to a local transit commission, a transit authority created by the legislature, or special transportation service certified by the commissioner under section 174.30.*"

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. 1303: A bill for an act relating to transportation; requiring nonrailroad lessors to comply with certain procedures before sale of property interests; regulating cancellations of leases of railroad right-of-way; amending Minnesota Statutes 1988, sections 222.631, by adding a subdivision; 222.632; and 222.633; proposing coding for new law in Minnesota Statutes, chapter 230.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 to 4, delete section 4

Page 4, line 27, delete "4" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete everything before "amending"

Page 1, line 7, delete everything after "222.633" and insert a period

Page 1, delete line 8

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. 762: A bill for an act relating to employment; setting the minimum wage for employees who receive gratuities; amending Minnesota Statutes 1988, section 177.24, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 20, delete "\$3.65" and insert "\$3.85"

Page 2, line 21, delete "\$3.29" and insert "\$3.47"

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. 1374: A bill for an act relating to education; requiring teachers to report unfair discriminatory practices by other teachers; providing that commission of an unfair discriminatory practice or failure to report may be grounds for discharge or demotion; amending Minnesota Statutes 1988, sections 125.12, subdivision 8; and 125.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 125.

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 1988, section 125.12, subdivision 8, is amended to read:

Subd. 8. [IMMEDIATE DISCHARGE.] A school board may discharge a continuing-contract teacher, effective immediately, upon any of the following grounds:

- (a) Immoral conduct, insubordination, or conviction of a felony;
- (b) Conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties;
- (c) Failure without justifiable cause to teach without first securing the written release of the school board;
- (d) Gross inefficiency which the teacher has failed to correct after reasonable written notice;
- (e) Willful neglect of duty; or
- (f) Continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 7.

*For purposes of this subdivision, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363.03, subdivision 5.*

Prior to discharging a teacher the board shall notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written

request for a hearing before the board and it shall be granted before final action is taken. The board may, however, suspend a teacher with pay pending the conclusion of such hearing and determination of the issues raised therein after charges have been filed which constitute ground for discharge.

Sec. 2. Minnesota Statutes 1988, section 125.17, subdivision 4, is amended to read:

Subd. 4. [GROUNDS FOR DISCHARGE OR DEMOTION.] Causes for the discharge or demotion of a teacher either during or after the probationary period shall be:

- (1) Immoral character, conduct unbecoming a teacher, or insubordination;
- (2) Failure without justifiable cause to teach without first securing the written release of the school board having the care, management, or control of the school in which the teacher is employed;
- (3) Inefficiency in teaching or in the management of a school;
- (4) Affliction with active tuberculosis or other communicable disease shall be considered as cause for removal or suspension while the teacher is suffering from such disability; or
- (5) Discontinuance of position or lack of pupils.

*For purposes of this subdivision, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363.03, subdivision 5."*

Delete the title and insert:

"A bill for an act relating to education; providing that discrimination against a pupil by a teacher may be grounds for discharge or demotion; amending Minnesota Statutes 1988, sections 125.12, subdivision 8; and 125.17, subdivision 4."

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 180: A bill for an act relating to the office of the secretary of state; establishing a procedure for contesting the registration of a corporation, limited partnership, or assumed name, or a trade or service mark with the secretary of state; providing that the office of the secretary of state is not liable for registrations; 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 1, line 12, delete "BOND" and insert "DEPOSIT"

Page 1, line 15, delete ", written"

Page 1, line 16, delete "simultaneously"

Page 1, line 19, delete "bond" and insert "deposit,"

Page 1, line 27, delete "judgment" and insert "decision"

Page 2, line 2, delete "14 days"

Page 2, line 8, after the period, insert "*The hearing is not a contested case hearing under chapter 14.*"

*Subd. 3. [STANDARD OF REVIEW.] The secretary of state may order that the contested name be changed on the records of the secretary of state if it is likely that the use of the names will cause confusion, mistake, or deception among the public when applied to the goods or services provided by the businesses. In determining whether confusion, mistake, or deception is likely, the secretary of state shall consider:*

- (1) the strength or unique nature of the names;*
- (2) the similarity of sound, appearance, or meaning of the names;*
- (3) the intent of the parties;*
- (4) the type of businesses engaged in or to be engaged in by the parties;*
- (5) the geographic market areas served by each party and the manner of distribution and marketing used in those areas;*
- (6) the nature and quality of goods or services provided by the parties;*
- (7) the level of sophistication of potential purchasers of goods or services offered by the parties;*
- (8) whether the party contesting the subsequent registration of a name failed to make a timely objection or acquiesced to the use of the name so that it would be inequitable to prohibit its registration; and*
- (9) whether the names in question are in fair use, have been abandoned, or are parodies of other names."*

Page 2, line 9, delete "JUDGMENT" and insert "DECISION"

Page 2, lines 10, 17, and 26, delete "*judgment*" and insert "*decision*"

Renumber the subdivisions in sequence

Page 2, after line 27, insert:

"Sec. 2. Minnesota Statutes 1988, section 300.025, is amended to read:  
300.025 [ORGANIZATION OF FINANCIAL CORPORATIONS.]

*(a) Three or more persons may form a corporation for any of the purposes specified in section 47.12 by applying to the department of commerce and complying with all applicable organizational requirements and the conditions set out in clauses (1) to (7). However, no corporation may be formed under this section if it may be formed under the Minnesota business corporation act. The incorporators must subscribe a certificate specifying:*

- (1) the corporation's name, which must distinguish it from all other corporations authorized to do business in this state, and must contain the word "company," "corporation," "bank," "association," or "incorporated";*
- (2) the general nature of the corporation's business and its principal place of business;*
- (3) the period of its duration, if limited;*
- (4) the names and places of residence of the incorporators;*
- (5) the board in which the management of the corporation will be vested, the date of the annual meeting at which it will be elected, and the names and addresses of the board members until the first election, a majority of*

whom must always be residents of this state;

(6) the amount of capital stock, if any, how the capital stock is to be paid in, the number of shares into which it is to be divided, and the par value of each share; and, if there is to be more than one class, a description and the terms of issue of each class, and the method of voting on each class; and

(7) the highest amount of indebtedness or liability to which the corporation will at any time be subject.

The certificate may contain any other lawful provision defining and regulating the powers and business of the corporation, its officers, directors, trustees, members, and stockholders. However, a corporation subject to sections 48.27 and 51A.22, subdivision 2, may show its highest amount of indebtedness to be 30 times the amount of its capital and actual surplus.

*(b) A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.*

Sec. 3. Minnesota Statutes 1988, section 302A.115, is amended by adding a subdivision to read:

*Subd. 8. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.*

Sec. 4. Minnesota Statutes 1988, section 303.05, is amended by adding a subdivision to read:

*Subd. 4. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.*

Sec. 5. Minnesota Statutes 1988, section 308.06, is amended by adding a subdivision to read:

*Subd. 5. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.*

Sec. 6. If S.F. No. 848 is enacted in the 1989 legislative session, Minnesota Statutes, section 308.06, subdivision 5, as amended by section 5 of this act, is repealed and S.F. No. 848, article 1, section 8, is amended by adding a subdivision to read:

*Subd. 3. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.*

Sec. 7. Minnesota Statutes 1988, section 317.09, is amended by adding a subdivision to read:

*Subd. 4. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.*

Sec. 8. If S.F. No. 525 is enacted in the 1989 legislative session, Minnesota Statutes, section 317.09, subdivision 4, as amended by section 7 of this act, is repealed and S.F. No. 525, section 12, is amended by adding a subdivision to read:



*Subd. 6. [CONTEST OF REGISTRATION OF NAME.] A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.*

Sec. 9. Minnesota Statutes 1988, section 322A.02, is amended to read:

322A.02 [NAME.]

(a) The name of each limited partnership as set forth in its certificate of limited partnership:

(1) shall contain without abbreviation the words "limited partnership";

(2) may not contain the name of a limited partner unless (i) it is also the name of a general partner or the corporate name of a corporate general partner, or (ii) the business of the limited partnership had been carried on under that name before the admission of that limited partner;

(3) may not be the same as, or deceptively similar to, the name of a domestic corporation or limited partnership or a foreign corporation or limited partnership authorized or registered to do business in this state or a name the right to which is reserved or provided for in the manner provided for in sections 302A.117, 322A.03, or 333.001 to 333.54, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of nonuse, of the kind required by section 302A.115, subdivision 1, paragraph (d); and

(4) may not contain the following words: corporation, incorporated.

The secretary of state shall determine whether a name is "deceptively similar" to another name for purposes of this section and section 322A.03. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.

*(b) A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1.*

Sec. 10. Minnesota Statutes 1988, section 322A.72, is amended to read:

322A.72 [NAME.]

(a) A foreign limited partnership may register with the secretary of state under any name (whether or not it is the name under which it is registered in its state of organization) that includes without abbreviation the words "limited partnership" and that could be registered by a domestic limited partnership.

*(b) A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 1."*

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "amending Minnesota Statutes 1988, sections 300.025; 302A.115, by adding a subdivision; 303.05, by adding a subdivision; 308.06, by adding a subdivision; 317.09, by adding a subdivision; 322A.02; 322A.72; 1989 S.F. No. 525, section 12, by adding

a subdivision; S.F. No. 848, article 1, section 8, 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 re-referred

S.F. No. 856: A bill for an act relating to housing; expanding the Minnesota housing financing agency's shared housing program to include handicapped persons; authorizing the provision of technical assistance to sponsors; appropriating money; amending Minnesota Statutes 1988, section 462A.05, subdivision 24.

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, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 966 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.
966	878				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 966 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 966 and insert the language after the enacting clause of S.F. No. 878; further, delete the title of H.F. No. 966 and insert the title of S.F. No. 878.

And when so amended H.F. No. 966 will be identical to S.F. No. 878, and further recommends that H.F. No. 966 be given its second reading and substituted for S.F. No. 878, 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. 553 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.
553	500				

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. 489 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.
489	1260				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 489 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 489 and insert the language after the enacting clause of S.F. No. 1260, the first engrossment; further, delete the title of H.F. No. 489 and insert the title of S.F. No. 1260, the first engrossment.

And when so amended H.F. No. 489 will be identical to S.F. No. 1260, and further recommends that H.F. No. 489 be given its second reading and substituted for S.F. No. 1260, 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. Solon from the Committee on Commerce, to which was referred

S.F. No. 1355: A bill for an act relating to financial institutions; regulating charges and fees on loans and extensions of credit by financial institutions and others; making various internal reference changes; amending Minnesota Statutes 1988, sections 47.20, subdivision 2; 51A.02, subdivision 14; 51A.38, subdivision 3; 51A.385, subdivisions 4, 5, 6, 7, 8, 9, 12, and 13; 51A.50; 51A.51, subdivision 4; 51A.53; 51A.55, subdivisions 1 and 2; 51A.56; 51A.57; 56.131, subdivision 1; 168.72, subdivision 1; 168.73; and 507.45, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 47.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 7, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 1988, section 51A.01, is amended to read:

51A.01 [CITATION.]

Sections 51A.01 to ~~51A.57~~ 51A.58 may be cited as the "savings association act."

Page 8, line 18, after "association" insert a comma

Page 8, line 19, after "2" insert ", to the extent not otherwise prohibited by law,"

Page 9, lines 2 and 6, strike "installment" and insert "payment"

Page 13, after line 7, insert:

“Sec. 11. Minnesota Statutes 1988, section 51A.385, subdivision 11, is amended to read:

Subd. 11. [CONSUMER PROTECTIONS.] (a) Associations shall comply with the requirements of the Federal Truth in Lending Act, United States Code, title 15, section 1601 to 1693, in connection with a consumer loan or credit sale for a consumer purpose *where the federal Truth in Lending Act is applicable*.

(b) Associations shall comply with the following consumer protection provisions in connection with a consumer loan or credit sale for a consumer purpose: sections 325G.02 to 325G.05; 325G.06 to 325G.11; 325G.15 to 325G.22; and 325G.29 to 325G.36, and the Code of Federal Regulations, title 12, part 535, *where those statutes or regulations are applicable*.

(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 15, delete section 13

Page 22, line 9, after the period, insert “*The beginning principal balance must be as originally determined under section 168.71.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete “47.20, subdivision 2” and insert “51A.01”

Page 1, line 8, after “9,” insert “11,” and delete “51A.50;”

Page 1, line 11, delete the third semicolon and insert a period

Page 1, delete lines 12 and 13

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. 1433: A bill for an act relating to utilities; low-income energy needs; designating the department of public service as the agency responsible for coordinating energy policy for low-income Minnesotans; requiring the department to gather certain information on low-income energy programs; prescribing certain uses for oil overcharge money; appropriating money; amending Minnesota Statutes 1988, sections 216B.241, subdivisions 1 and 2; 216C.02, subdivision 1; 216C.10; 216C.11; 216C.27, by adding a subdivision; and 504.185, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete “216B.164” and insert “216B.095”

Page 3, line 11, strike “order” and insert “*by rule require*”

Page 3, line 15, after the period, insert “*The required programs must*

*cover a two-year period."*

Page 3, lines 16 and 30, strike "order" and insert "require"

Page 3, line 21, strike "order" and insert "rules"

Page 4, line 3, reinstate the stricken "significant"

Page 4, lines 4 to 15, delete the new language

Page 4, line 15, after the period, insert "*The department shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization.*"

Page 4, line 17, delete "is" and before "that" insert "*is devoted to programs*"

Page 4, line 22, delete "in"

Page 4, line 23, delete "*accordance with*" and strike "an order" and after the stricken "shall" insert "*under this subdivision*"

Page 4, line 28, after the stricken period, insert "*A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, or the attorney general acting on behalf of consumers and small business interests, may petition the commission to modify or revoke a department decision to require a program under this subdivision, and the commission may do so if it determines that the program is ineffective, does not adequately address the needs of renters and low-income families and individuals, or is otherwise not in the public interest. The person petitioning for commission review has the burden of proof. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.*"

Page 9, delete section 8

Page 10, line 5, after the second comma, insert "*and other money received after the effective date of this section as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations that is not otherwise dedicated by court order,*"

Page 10, after line 27, insert:

"Sec. 10. [CONSERVATION IMPROVEMENT PROGRAMS.]

*Notwithstanding section 3, the department of public service may permit utilities governed by that section to carry on programs currently approved by the public utilities commission until the department has adopted rules and approved new programs to cover a two-year program beginning in 1990."*

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 11, delete everything after the semicolon

Page 1, line 12, delete "subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 539: A bill for an act relating to state parks; promoting the 100th anniversary of the state park system; 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. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 296: A bill for an act relating to game and fish; disallowing refunds on angling licenses paid by a person age 65 or older; amending Minnesota Statutes 1988, section 97A.485, subdivision 6.

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. 345: A bill for an act relating to health; providing for the distribution of maternal and child health block grant funds; amending Minnesota Statutes 1988, section 145.882, subdivisions 1, 3, and 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2 and insert:

“Sec. 2. Minnesota Statutes 1988, section 145.882, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION TO COMMUNITY HEALTH SERVICES AREAS.] (a) The maternal and child health block grant money remaining after distributions made under ~~subdivisions 1 and 2~~ *subdivision 2* must be allocated according to the formula in subdivision 4 to community health services areas for distribution by community health boards as defined in section 145A.02, subdivision 5, to qualified programs that provide essential services within the community health services area *as long as:*

(1) *the Minneapolis community health service area is allocated at least \$1,626,215 per year;*

(2) *the St. Paul community health service area is allocated at least \$822,931 per year; and*

(3) *all other community health service areas are allocated at least \$30,000 per county per year or their 1988-1989 funding cycle award, whichever is less.*

(b) *Notwithstanding paragraph (a), if the total amount of maternal and child health block grant funding decreases, the decrease must be apportioned to reflect a proportional decrease for each recipient, including recipients who would otherwise receive a guaranteed minimum allocation under paragraph (a). If the total amount of block grant funding increases, the guaranteed minimum allocation amounts in paragraph (a), clauses (1) to (3), are increased by three percent or the percentage increase in the total amount of block grant funding, whichever is less.”*

Page 3, line 23, before the period, insert “, *except that money may be used for this purpose only if the community health board's application includes program components for the purposes in clauses (1) to (4) in the proposed geographic service area and the total expenditure for injury-related programs under this clause does not exceed ten percent of the total allocation under subdivision 3*”

Page 4, after line 13, insert:

“Sec. 4. [APPROPRIATION.]

*\$44,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to increase the amount of money available for maternal and child health special project grants to offset the additional costs of section 2, paragraph (a), clause (3). This appropriation must not be treated as an increase in the total amount of funding for the maternal and child health block grant for purposes of section 2, paragraph (b).”*

Amend the title as follows:

Page 1, line 3, 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. 1052: A bill for an act relating to human services; creating a temporary licensure exemption for supportive living arrangements for persons who have mental retardation or chemical dependency or who are frail elderly, or have other functional impairments; requiring the commissioner to adopt licensing rules; amending Minnesota Statutes 1988, section 245A.03, 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. [157.031] [ADDITIONAL LICENSE REQUIRED FOR BOARD AND LODGING ESTABLISHMENTS; SPECIAL SERVICES.]

*Subdivision 1. [DEFINITIONS.] (a) “Supportive services” means the provision of supervision and minimal assistance with independent living skills such as social and recreational opportunities, assistance with transportation, arranging for meetings and appointments, arranging for medical and social services, and dressing, grooming, or bathing. Supportive services also include providing reminders to residents to take medications that are self administered or providing storage for medications if requested.*

*(b) “Health supervision services” means the provision of assistance in the preparation and administration of medications other than injectables, the provision of therapeutic diets, taking vital signs, or providing assistance in bathing or with walking devices.*

*Subd. 2. [REGISTRATION.] A board and lodging establishment that provides supportive services or health supervision services must register with the commissioner by September 1, 1989. The registration must include the name, address, and telephone number of the establishment, the types*

*of services that are being provided, a description of the residents being served, the type and qualifications of staff in the facility, and other information that is necessary to identify the needs of the residents and the types of services that are being provided. The commissioner shall develop and furnish to the board and lodging establishment the necessary form for submitting the registration. The requirement for registration is effective until the special license rules required by subdivision 5 are effective.*

*Subd. 3. [RESTRICTION ON THE PROVISION OF SERVICES.] Effective September 1, 1989, and until the rules required under subdivision 5 are adopted, a board and lodging establishment may provide health supervision services only if a licensed nurse is on site in the facility for at least four hours a week to provide supervision and health monitoring of the residents. A board and lodging facility that admits or retains residents using wheelchairs or walkers must have the necessary clearances from the office of the state fire marshal.*

*Subd. 4. [SPECIAL LICENSE REQUIRED.] Upon adoption of the rules required by subdivision 5, a board and lodging establishment that provides either supportive care or health supervision services must obtain a special license from the commissioner. The special license is required until rules resulting from the recommendations made in accordance with section 2 are implemented.*

*Subd. 5. [RULES.] By July 1, 1990, the commissioner of health shall adopt rules necessary to implement the special license provisions. The rules may address the type of services that can be provided, staffing requirements, and the training and qualifications of staff. The rules must set a fee for the issuance of the special service license. The special license fee is in addition to the license fee prescribed in section 157.03.*

*Subd. 6. [SERVICES THAT MAY NOT BE PROVIDED IN A BOARD AND LODGING ESTABLISHMENT.] A board and lodging establishment may not admit or retain individuals who:*

*(1) would require assistance from facility staff because of the following needs: incontinence, catheter care, use of injectable or parenteral medications, wound care, or dressing changes or irrigations of any kind; or*

*(2) require a level of care and supervision beyond supportive services or health supervision services.*

*Subd. 7. [CERTAIN INDIVIDUALS MAY PROVIDE SERVICES.] This section does not prohibit the provision of health care services to residents of a board and lodging establishment by family members of the resident or by a registered or licensed home care agency employed by the resident.*

*Subd. 8. [EXEMPTION FOR ESTABLISHMENTS WITH A HUMAN SERVICES LICENSE.] This section does not apply to a board and lodging establishment that is licensed by the commissioner of human services under chapter 245A.*

*Subd. 9. [VIOLATIONS.] The commissioner may revoke both the special service license, when issued, and the establishment license, if the establishment is found to be in violation of this section. Violation of this section is a gross misdemeanor.*

**Sec. 2. [SUPPORTIVE RESIDENTIAL PROGRAMS REPORT.]**



*Subdivision 1. [SUPPORTIVE RESIDENTIAL PROGRAM REGULATION RECOMMENDATION.] By February 1, 1990, the commissioners of health and human services shall jointly make a recommendation to the legislature on the regulation and licensure of facilities and programs that provide housing services and provide or coordinate supportive services or health supervision services to residents. The recommendations must address:*

*(1) the existing use of residential arrangements with a lodging, hotel, or food service license under Minnesota Statutes, chapter 157;*

*(2) existing county board and local human service agency administrative or certification standards for board and lodging houses or supportive living residences;*

*(3) county referral and placement practices for persons who, in addition to food or lodging services, need assistance with health or supportive services;*

*(4) the status of persons in these facilities with respect to the vulnerable adults abuse reporting act and their need for referral to protective services or social services for assessment prior to placement by the county or referral to the residence by the county;*

*(5) the applicability of laws governing the rights of patients and residents specified in Minnesota Statutes, section 144.651, and the rights of tenants in housing;*

*(6) a determination as to the need for and degree of regulation of these services;*

*(7) recommendations for repeal or revision of existing facility and program statutes and regulations; and*

*(8) a fiscal analysis of the current costs associated with the provision of supportive programs and facilities, recommendations for methods for maximizing all funding sources used for these services, and an analysis of the costs for licensure and regulation.*

*Subd. 2. [CONSULTATION WITH AFFECTED PARTIES.] In developing the recommendations, the commissioners may consult other state departments and agencies, the interagency board for quality assurance established under Minnesota Statutes, section 144A.31, counties and other affected political subdivisions, advocacy groups, representatives or owners of facilities and programs, lodging houses and assisted or supportive living services, and service consumers.*

*Subd. 3. [COUNTY REPORTING.] No later than September 1, 1989, and annually after that date, the county board or human services board in each county shall report to the commissioner of human services the names and addresses of the owners and operators of all facilities and programs with which the county has a negotiated rate agreement and which are not licensed under Minnesota Statutes, chapter 144, 144A, or 245A. The report must identify the amount of the negotiated rate for each facility or program, services other than the provision of lodging that the owner or operator is responsible for coordinating or providing, the number of persons receiving services, and the per unit cost for the services. No later than September 1, 1989, the county board or human services agency in each county shall also provide the commissioner of human services with a copy of any administrative standards or certification standards adopted by or used by the county for board and lodging facilities and supervised*

*living residences that are in addition to or different from those contained in Minnesota Rules, chapter 4625, or that are for facilities and programs not licensed under Minnesota Statutes, chapter 144, 144A, or 245A.*

Sec. 3. [LICENSURE EXCLUSIONS.]

*Until July 1, 1990, Minnesota Statutes, sections 245A.01 to 245A.16, do not apply to board and lodging establishments licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness and who have refused an appropriate residential program offered by a county agency."*

Delete the title and insert:

*"A bill for an act relating to health and human services; requiring registration and a special license for board and lodging establishments that provide supportive services or health supervision; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 157."*

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. 1163: A bill for an act relating to human services; requiring proposals for decreasing the size of intermediate care facilities for persons with mental retardation; proposing coding for new law in Minnesota Statutes, chapter 252.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 18 and 19, delete "*county may downsize these services*" and insert "*facility may be downsized*"

Page 1, line 20, delete "*must*" and insert "*may*"

Page 1, line 21, after "*downsizing*" insert "*submitted*" and after "*l*" insert a comma

Page 2, line 9, after the period, insert "*Counties must ensure that residents discharged from facilities participating in the project are moved to their home communities whenever possible. For the purposes of this section, 'home community' means the county of financial responsibility or a county adjacent to the county of financial responsibility. The commissioner shall have the sole authority to waive this requirement based on the choice of the person or the person's legal representative, if any.*"

Page 2, line 20, after the semicolon, insert "*and*"

Page 2, line 22, delete "*20*" and insert "*25*" and delete "*, leaving*" and insert "*and must leave*"

Page 2, line 23, delete the semicolon and insert a period

Page 2, delete lines 24 to 27

Page 2, line 31, after the period, insert "*The decision of the commissioner is final and may not be appealed.*"

Page 3, line 1, after the comma, insert "*operating*"

Page 3, line 2, after "total" insert "allowable operating"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 272: A bill for an act relating to veterans; requiring the department of administration to consider sites in other areas of northwestern Minnesota in addition to Fergus Falls for establishment of a veterans home; amending Laws 1988, chapter 689, article 1, section 2, 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. [VETERANS HOMES SITING STUDY.]

*Subdivision 1. [STUDY AUTHORIZATION.] The commissioner of administration, in cooperation with the veterans home board of directors, must by January 1, 1990, complete a study that will assist the legislature to determine:*

*(1) if additional veterans homes should be established in any regions of the state; and*

*(2) in which communities homes should be sited if the legislature determines additional homes are necessary.*

*Subd. 2. [NEED FOR ADDITIONAL VETERANS HOMES.] In analyzing whether additional veterans homes should be established in the state, the study should consider the following factors:*

*(1) the number of veterans that are projected to need nursing home care in the state and in each region of the state;*

*(2) the availability and feasibility of other long-term care alternatives for veterans;*

*(3) the impact of additional veterans homes on existing community nursing homes;*

*(4) the availability of federal funding for construction and operation of additional veterans homes and the impact of other federal regulations;*

*(5) the overall cost to the state of a regional system of veterans nursing homes; and*

*(6) the veterans home board of directors' long-term plan for veterans health care.*

*Based on these factors, the study shall recommend in which regions of the state, if any, additional veterans homes should be established.*

*Subd. 3. [ANALYSIS OF SITING ALTERNATIVES.] If the commissioner of administration recommends that additional veterans homes should be established in one or more regions of the state, the study must analyze various potential sites for veterans homes based on the following factors:*

*(1) proximity to a veterans administration medical center;*

*(2) proximity to other medical services in the community;*

- (3) *availability of staff to operate a home;*
- (4) *construction costs;*
- (5) *operating costs;*
- (6) *local financial contributions toward construction and operating costs;*
- (7) *physical features of a site; and*
- (8) *the number of veterans needing nursing care in the area.*

*The commissioner must allow local communities in the affected regions to submit proposals for veterans homes, and the study must recommend in rank order sites for new veterans homes in each affected region.*

*If the commissioner recommends the siting of a veterans home in south-western Minnesota, the commissioner must utilize to the fullest extent possible the study on "Potential Sites for a Minnesota Veterans Home," dated February 1, 1989, in order to avoid any unnecessary duplication of that study.*

Sec. 2. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the commissioner of administration to conduct the study required by section 1."*

Delete the title and insert:

"A bill for an act relating to veterans; authorizing the commissioner of administration to conduct a study of the need for additional veterans homes in the state; appropriating money."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Knaak questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1359: A bill for an act relating to commerce; regulating certain rentals of real property, membership camping practices, and subdivided land sales; amending Minnesota Statutes 1988, sections 82.18; 82.20, subdivision 13; 82A.02, subdivision 6; 83.20, by adding a subdivision; 83.30, subdivision 1; and 83.38, subdivisions 1 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 3, delete sections 1 to 3 and insert:

"Section 1. Minnesota Statutes 1988, section 82A.02, is amended by adding a subdivision to read:

*Subd. 1a. [ADVANCED PAYMENT.] "Advanced payment" means any money paid in advance regardless of its descriptive nomenclature, including, but not limited to, a management fee, listing, security, or advance fee or payment.*

Sec. 2. Minnesota Statutes 1988, section 82A.13, subdivision 2, is amended to read:

Subd. 2. [FRAUD.] No person shall, in connection with the offer or sale of any membership camping contract, directly or indirectly:

- (1) employ any device, scheme, or artifice to defraud;
- (2) make any untrue statement of a material fact, or omit to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; ~~or~~
- (3) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; *or*
- (4) *accept an advance payment for services rendered by an agent in connection with the resale of a membership camping contract."*

Pages 4 and 5, delete sections 6 and 7 and insert:

"Sec. 5. [EFFECTIVE DATE.]

*Section 4 is effective retroactive to January 1, 1989, and applies to any report due on or after that date."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "82.18; 82.20, subdivision 13;"

Page 1, line 6, delete "subdivision 6" and insert "by adding a subdivision; 82A.13, subdivision 2" and before "83.30," insert "and"

Page 1, delete line 7 and insert "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. 685: A bill for an act relating to the environment; appropriating money for the Western Lake Superior Sanitary District; authorizing sale of state bonds.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 19, insert:

*"The appropriation under this section must be repaid from money recovered by the Western Lake Superior Sanitary District relating to damages recovered for the rupture of the Cloquet to Duluth pipeline as a condition of receiving the money under this section."*

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. 846: A bill for an act relating to state lands; authorizing conveyance of surplus state real property to Leo A. Hoffmann Center, Inc.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete "*regional*" and insert "*nonprofit*" and delete "*center or*" and insert "*facility*"

Page 1, line 15, delete everything before the period

Page 2, line 9, delete "527.99" and insert "427.95"

Page 2, line 13, delete "341.53" and insert "419.28"

Page 2, line 14, delete "50.00" and insert "150.00"

Page 2, line 16, delete "460.15" and insert "385.15"

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. 452: A bill for an act relating to water; providing urban drought relief; establishing a program of low-interest loans for repairs to drought-damaged homes; providing assistance to certain municipalities with water supply problems; studying surface backwater infiltration of water supplies; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
DAMAGED HOMES

Section 1. [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The definitions in this section apply to this article.*

*Subd. 2. [AGENCY.] "Agency" means the Minnesota housing finance agency.*

*Subd. 3. [MUNICIPALITY.] "Municipality" means a statutory or home rule charter city or town.*

Sec. 2. [DROUGHT DAMAGE REPAIR LOANS.]

*Subdivision 1. [ELIGIBILITY.] The owner of a home that was damaged as a result of the drought of 1988 so that a serious structural condition has resulted that must be repaired is eligible for a loan under this article.*

*Subd. 2. [INDEBTEDNESS.] The total indebtedness on the home, including all mortgages, home equity loans, and the loan under this article must not exceed 110 percent of the market value of the property.*

*Subd. 3. [AGENCY'S DUTIES.] The agency shall make loans within available funds to eligible homeowners under subdivision 1. The maximum loan to a homeowner is \$20,000.*

*Subd. 4. [LOCAL HOUSING INSPECTOR'S DUTIES.] The building inspector in a municipality shall investigate the damage to the home of an applicant for a loan under this section to determine if the applicant is eligible. The building inspector shall certify that eligibility to the agency on forms prepared by the agency.*

*Subd. 5. [INTEREST; FEES.] The homeowner shall pay interest in an amount necessary to cover the administrative cost of providing periodic service on the loan. The agency shall pay other costs related to the loan.*

including origination fees charged by the originating lenders.

*Subd. 6. [QUALITY CONTROL.] Before the agency may make a loan under this article to a homeowner, the homeowner's municipality must:*

*(1) certify a list of approved contractors suitable to undertake the required repair work; or*

*(2) prepare a specific work order for the repair of each home for which a loan under this article has been approved and require homeowners to get a certain minimum number of bids before any repair work is begun.*

### Sec. 3. [RULES.]

*The agency shall make rules necessary to administer this article.*

### Sec. 4. [APPROPRIATION.]

*\$1,500,000 is appropriated to the Minnesota housing finance agency for the biennium ending June 30, 1991, to make loans to homeowners under sections 1 to 3, up to \$100,000 of which may be used by the agency for administrative expenses.*

## ARTICLE 2 MUNICIPAL WATER SUPPLIES

### Section 1. [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The definitions in this section apply to this article.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.*

*Subd. 3. [MUNICIPALITY.] "Municipality" means a statutory or home rule charter city or town having a population according to the most recent census certified as reliable by the state planning agency of not more than 50,000 which operates a municipal water utility and relies on a single well or surface water source for 50 percent or more of the annual water supply distributed by the water utility.*

### Sec. 2. [DUTIES OF THE COMMISSIONER.]

*Subdivision 1. [CERTIFICATION OF MUNICIPAL ELIGIBILITY.] Upon written application by a municipality to the commissioner, the commissioner shall in cooperation with the department of health conduct an investigation to determine if the drought of 1988 caused the principal well or surface water source used by that municipality's water utility to be inadequate in quantity or quality to meet the needs of customers of the water utility, including a reasonable capacity reserve. If the commissioner determines that the adverse condition exists and was caused by the 1988 drought, the commissioner shall certify that the municipality qualifies for relief under this article.*

*Subd. 2. [TECHNICAL ASSISTANCE.] (a) Within resources available to the commissioner, the commissioner must provide technical assistance to an eligible municipality to evaluate options and alternatives for providing adequate water supplies to water utility customers. Options to be evaluated must include cost-effective opportunities for water conservation.*

*(b) If a municipality adopts a municipal water supply enhancement plan approved by the commissioner, the commissioner shall make grants within available funds to eligible municipalities for up to 50 percent of the cost*

*of implementing the approved plan. The maximum grant to a municipality is \$50,000.*

Sec. 3. [APPROPRIATION.]

*\$1,500,000 is appropriated to the commissioner of natural resources for the biennium ending June 30, 1991, to make grants under this article. Of this amount, up to \$100,000 may be used by the commissioner for administrative expenses."*

Delete the title and insert:

"A bill for an act relating to water; providing urban drought relief; establishing a program of low-interest loans for repairs to drought-damaged homes; providing technical and financial assistance for municipalities to evaluate options and alternatives for municipal water supplies; appropriating money."

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. 1241: A bill for an act relating to education; changing a requirement for teaching in barber school; amending Minnesota Statutes 1988, section 154.065, subdivision 2.

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 and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1133: A bill for an act relating to financial institutions; industrial loan and thrifts; regulating capital stock and surplus requirements; regulating the publication of application notices; imposing a residency requirement on directors of certain companies; imposing special dividend conditions for deposit companies; amending Minnesota Statutes 1988, sections 53.015; 53.02; 53.03, subdivisions 1 and 5; 53.05; 53.06; 53.08; and 53.09, 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 1988, section 46.041, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF FILING APPLICATION; PUBLICATION.] Upon notice of acceptance of an application as complete in all respects for filing, the applicant shall within 30 days of the receipt of the form prescribed by the commissioner, publish a notice of the filing of the application, in a *qualified* newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then ~~at the county seat of the county~~ in a *qualified newspaper likely to give notice in the*



*municipality* in which the bank is proposed to be located. The notice must be in the form prescribed by the commissioner and, in addition to the publication, the applicant shall mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the bank.

Sec. 2. Minnesota Statutes 1988, section 47.015, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL INSTITUTIONS.] As used in this section the term "financial institution" shall include banks, trust companies, banks and trust companies, mutual savings banks, industrial loan and thrift companies having outstanding certificates of indebtedness for investment ~~other than those pledged as security for a loan made contemporaneous therewith,~~ savings and loan associations, ~~building and loan associations,~~ national banking associations, federal reserve banks and federal savings and loan associations doing business in this state, and includes any branch or detached facility of any of them.

Sec. 3. Minnesota Statutes 1988, section 47.101, subdivision 2, is amended to read:

Subd. 2. [BANKING INSTITUTIONS; CERTAIN RELOCATIONS, APPLICATIONS, NOTICE, APPROVAL.] A banking institution defined in section 48.01, subdivision 2, desiring to relocate its main office within a radius of three miles measured in a straight line shall submit an application in a form prescribed by the commissioner of commerce, an investigation fee of \$500 and additional fees as prescribed in section 46.041 if subsequently processed under subdivision 3. After the application is deemed to be complete and accepted by the commissioner of commerce, the applicant shall publish once in a form prescribed by the commissioner a notice of the filing of the application in a *qualified* newspaper published in the municipalities where the banking institution is located and relocating if different. If there ~~is~~ are no such ~~paper newspapers,~~ then notice of the filing shall be published at the appropriate county seats of the existing and proposed sites if different in *qualified newspapers likely to give notice in the existing and proposed municipalities.* The applicant shall cause the notice to be publicly displayed in its lobby and sent by certified mail to all banking institutions within three miles of the proposed location measured in a straight line. Upon expiration of a period of 21 days for comment, the commissioner, after considering the applicable conditions for issuance of the bank charter defined in section 46.044, shall within 60 days approve or disapprove the application.

Sec. 4. Minnesota Statutes 1988, section 47.16, subdivision 1, is amended to read:

Subdivision 1. If the commissioner of commerce is satisfied that the corporation has been organized for legitimate purposes, and under such conditions as to merit and have public confidence, and that all provisions of law applicable to every branch of business in which, by the terms of its certificate, it is authorized to engage, have been complied with, the commissioner shall so certify. When the original certificate, ~~with proof of publication thereof,~~ and the certificate of incorporation from the secretary of state is filed with the commissioner of commerce, the commissioner shall, within 60 days thereafter, execute and deliver to it a certificate of authority.

Sec. 5. Minnesota Statutes 1988, section 47.54, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Any bank desiring to establish a detached facility shall execute and acknowledge a written application in the form prescribed by the commissioner and shall file the application in the commissioner's office with a fee of \$500. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the commissioner in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, shall be paid by the applicant and 50 percent equally by the intervening parties. The applicant shall within 30 days of the receipt of the form prescribed by the commissioner publish a notice of the filing of the application in a *qualified newspaper* published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then ~~at the county seat of the county in which the~~ *in a qualified newspaper likely to give notice in the municipality in which the proposed detached facility is proposed* to be located. In addition to the publication, the applicant must mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the detached facility, measured in the manner provided in section 47.52.

Sec. 6. Minnesota Statutes 1988, section 48.475, subdivision 3, is amended to read:

Subd. 3. [GENERAL REQUIREMENTS.] If the bank at which a trust service office is to be established has exercised trust powers, then the trust company or bank which is establishing the trust service office shall enter into an agreement respecting those fiduciary powers to which the trust company or bank shall succeed and shall file the agreement with the commissioner. The trust company or bank which is establishing a trust service office under subdivision 1 shall publish a notice of the filing in the form prescribed by the commissioner in a newspaper published in the municipality in which the trust service office is to be located, and if there is no such newspaper, then at the county seat of the county in which the trust service office is to be located. The notice shall be published once *in a qualified newspaper in the municipality in which the proposed trust service office is to be located, and if there is no such newspaper, then in a qualified newspaper likely to give notice in the municipality in which the proposed trust service office is to be located*, and proof of publication shall be filed with the commissioner immediately after publication of the notice of filing. After filing and publication, the trust company or bank establishing the trust service office shall, as of the date the office first opens for business, and without further authorization of any kind, succeed to and be substituted for the bank at which the trust service office is located as to all fiduciary powers, rights, duties, privileges, and liabilities of the bank in its capacity as fiduciary for all estates, trusts, conservatorships, guardianships, and other fiduciary relationships of which the bank is then serving as fiduciary, except as may be otherwise specified in the agreement between the bank and the trust company or bank which has established the trust service office. The trust company or bank which has established the trust service office shall also be deemed named as fiduciary in all writings, including, but not limited to, wills, trusts, court orders, and similar documents and instruments, naming the bank at which the trust service office is located signed before the date the trust service office first opens for business, unless expressly negated by the writing or otherwise specified in the agreement

between the trust company or bank and the bank at which the trust service office is located. On the effective date of the substitution, the bank at which the trust service office has been established shall be released and absolved from all fiduciary duties and obligations under the writings and shall discontinue its exercise of trust powers on all matters not specifically retained by the agreement. This subdivision does not absolve the bank from liabilities arising out of any breach of fiduciary duty or obligation occurring prior to the date the trust service office first opens for business. This subdivision does not affect the authority, duties, or obligations of a bank with respect to relationships which may be established without trust powers, whether the relationships arise before or after the establishment of the trust service office.

Sec. 7. Minnesota Statutes 1988, section 48.48, subdivision 1, is amended to read:

Subdivision 1. [SUBMISSION AND PUBLICATION.] At least four times in each year, and at any other time when so requested by the commissioner, every bank or trust company shall, within 30 days of the date of notice, make and transmit to the commissioner, in a form the commissioner prescribes, a report, verified by its president or vice-president and by its cashier or treasurer, and attested by at least two of its directors, stating in detail, under appropriate heads, as required by the commissioner, its assets and liabilities at the close of business on the day specified in the request. The commissioner may accept a report made to a federal authority having supervision of banks or trust companies in fulfilling this requirement. This statement shall be published once at the expense of the bank or trust company in a *qualified* newspaper ~~in the municipality or town in which the bank or trust company is located. The newspaper shall be published in the county in which the bank or trust company is located or in an adjoining county, and if there is no such newspaper, then in a qualified newspaper likely to give notice in the municipality or town in which the bank or trust company is located.~~ Proof of publication shall be filed with the commissioner immediately after publication of the report, but no later than 60 days following the date of the notice.

Sec. 8. Minnesota Statutes 1988, section 49.33, is amended to read:

49.33 [CONSOLIDATION AND MERGER, WHEN AUTHORIZED.]

*Subject to the provisions of sections 49.33 to 49.41, with the written consent of the commissioner of commerce, any bank of discount and deposit or trust company may effect a transfer of its assets and liabilities to another bank or trust company for the purpose of consolidating ~~therewith~~ or merging, but the same shall be without prejudice to the creditors of either.*

Sec. 9. Minnesota Statutes 1988, section 49.34, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Any two or more state banks, operating in the same city, may be consolidated *or merged* into a consolidated *or merged* state bank, and any two or more trust companies, operating in the same city, may be consolidated *or merged* into a consolidated *or merged* trust company, and any state bank or state banks and any trust company or trust companies, operating in the same city, may be consolidated *or merged* into a consolidated *or merged* state bank or consolidated *or merged* trust company, as the respective boards of directors thereof may determine. ~~All~~ *The consolidation or merger shall be effected in the manner provided*

in sections 49.35 to 49.41 and when so organized, the consolidated or merged corporation shall be governed and conducted in all other respects as provided by the statutes relating to the respective classes of financial corporations.

Sec. 10. Minnesota Statutes 1988, section 49.35, is amended to read:

49.35 [CONSOLIDATION OR MERGER AGREEMENT.]

The respective boards of directors of the consolidating or merging corporations may, by the majority vote of all of the members of each board, make or authorize to be made between the corporations a written ~~consolidation~~ agreement, in duplicate, for the consolidation or merger of the corporations. ~~This~~ The agreement shall specify each corporation to be a party to the ~~consolidation~~ transaction, and shall prescribe the terms and conditions thereof; the mode of carrying it into effect; the authorized capital stock of the consolidated or surviving corporation, which shall not exceed the aggregate authorized capital stock of all of the corporations that are a party thereto; the name of the consolidated or surviving corporation, which may be the name, in whole or in part, of any corporation which is a party to the agreement, and shall specify the city in which it shall have its principal place of business. It shall name the persons who shall constitute the board of directors of the consolidated or surviving corporation, but the number and qualifications of these persons shall be in accordance with the statutes relating to the number and qualifications of directors of that class of corporation.

Sec. 11. Minnesota Statutes 1988, section 49.36, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] This consolidation or merger agreement and certified copy of the proceedings of the meetings of the respective boards of directors, at which the making of the agreement was authorized, must be submitted to the commissioner of commerce for approval with a fee of \$250 payable to the commissioner of commerce. The fee must be paid in equal parts by the parties to the agreement. ~~The consolidation is, and it shall not be effective until so approved by the commissioner. The commissioner shall take action after the documents are submitted, and shall be is entitled to further information from the consolidated corporation by request any party to the transaction as may be requested by the commissioner, or as may be obtained upon a hearing directed by the commissioner.~~

Sec. 12. Minnesota Statutes 1988, section 49.37, is amended to read:

49.37 [STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION OR MERGER.]

Either before or after the consolidation or merger agreement has been approved by the commissioner of commerce, it must be submitted to the stockholders of each corporation at a meeting thereof called for that purpose, and it does not become binding upon the corporation until it has been approved at each of the meetings required by this section by the vote or ballot of the stockholders, holding at least a majority of the amount of stock of the respective corporations, or a higher percentage as may be required by the certificate of incorporation of the corporations. Proof of the holding of these meetings and the results thereof must be submitted to the commissioner of commerce. After the ~~consolidation~~ agreement has called for by sections 49.33 to 49.41 has been approved by the stockholders of the respective corporations and by the commissioner of ~~banks~~ commerce,

the latter shall issue a certificate reciting that ~~these~~ *the* corporations have complied with the provisions of sections 49.34 to 49.41; *and* declaring the consolidation *or merger* of these corporations; *and stating* the name of the consolidated *or surviving* corporation, the amount of capital stock thereof, ~~and~~ the names of the first board of directors, and the place of business of the consolidated *or surviving* corporation, which must be within the city where any ~~one~~ of the constituent corporations ~~has~~ *have* been previously authorized to have ~~its place~~ *their places* of business. Upon the issuing of this certificate and the filing ~~thereof~~ of it for record in the office of the secretary of state, ~~this~~ *the* incorporation is deemed to be complete *in the case of the consolidation, and the assets of the constituent corporations merged into the survivor in the case of a merger*, and the consolidated *or surviving* corporation shall, from the date of this certificate, have the term of corporate existence ~~therein~~ *as may be specified in it*, not exceeding the longest unexpired term of any constituent corporation. The certificate of the commissioner of commerce is prima facie evidence that all of the provisions of sections 49.34 to 49.41 have been complied with, and is conclusive evidence of the existence of the consolidated *or surviving* corporation.

Sec. 13. Minnesota Statutes 1988, section 49.38, is amended to read:

49.38 [CORPORATE EXISTENCE MERGED; RIGHTS, POWERS, OBLIGATIONS.]

Upon the consolidation *or merger* of ~~any such~~ a corporation with *or into* any one or more corporations, ~~into a consolidated corporation~~, as herein provided, the corporate existence of each former corporation shall be merged into that of the consolidated *or merged* corporation, and all and singular its rights, privileges, and franchises, and its right, title, and interest in and to all property of whatsoever kind, whether real, personal, or mixed, and all things in action, and every right, privilege, interest, or asset of conceivable value or benefit then existing which would inure to it under an unmerged or unconsolidated existence, shall be deemed fully and finally transferred to and vested in the consolidated *or surviving* corporation without further act or deed, and the last mentioned corporation shall have and hold the same in its own right as fully as the same was possessed and held by the former corporation from which it was, by operation of sections 49.34 to 49.41, transferred. Its rights, obligations, and relations to any person, creditor, depositor, trustee, or beneficiary of any trust shall remain unimpaired and the corporation into which it shall have been consolidated *or merged* shall succeed to these relations, obligations, trusts, and liabilities and shall execute and perform all such trusts in the same manner as though it had itself assumed the relation or trust, or incurred the obligation or liability; and its liabilities and obligations to creditors existing for any cause shall not be impaired by the consolidation *or merger*, nor shall any obligation or liability of any stockholder, in any corporation which is a party to the consolidation *or merger*, be affected by any such consolidation *or merger*, but these obligations and liabilities shall continue as fully and to the same extent as existed before the consolidation *or merger*. The consolidated *or surviving* corporation shall become, without further act or deed, the successor of the consolidating *or constituent* corporations in any and all fiduciary capacities, in which each consolidated *or constituent* corporation may be acting at the time of the consolidation *or merger*, and shall be liable to all beneficiaries as fully as if the consolidating *or merging*

corporations had continued its separate corporate existence. If any consolidating *or merging* corporation shall be nominated and appointed, or shall have been nominated or appointed, as executor, guardian, administrator, agent, or trustee, or in any other trust ~~relation~~ *relationship* of fiduciary capacities in any will, trust agreement, trust conveyance, or any other conveyance, order, or judgment of any court, or any other instrument prior to the consolidation *or merger*, even though the will or other instrument shall not ~~become~~ *be* operative or effective until after the consolidation *or merger* shall have become effective, every such office, trust relationship, fiduciary capacity, and all of the rights, powers, privileges, duties, discretions, and responsibilities so provided to devolve upon, vest in, or inure to the corporation so nominated or appointed, shall fully and in every respect devolve upon, vest in, and inure to, and be exercised by, the consolidated *or surviving* corporation, whether there be one or more successive mergers or consolidations.

Sec. 14. Minnesota Statutes 1988, section 49.39, is amended to read:

49.39 [CONSOLIDATION *OR MERGER* OF BANKS AND TRUST COMPANIES.]

Upon the consolidation *or merger* of a trust company with a national banking corporation into a consolidated *or merged* banking corporation, as provided by any existing act of Congress of the United States, the corporate existence of that trust company shall be *consolidated or merged* into that of the consolidated *or merged* banking corporation to the same extent and with the same effect provided in section 49.38, relating to the consolidation *or merger* of two or more state banks or trust companies.

Sec. 15. Minnesota Statutes 1988, section 49.40, is amended to read:

49.40 [PENDING ACTIONS OR PROCEEDINGS NOT AFFECTED.]

Any pending action or other judicial proceeding in which any consolidating *or merging* corporation is a party shall not be deemed to have abated or to have discontinued by reason of the consolidation *or merger* but may be prosecuted to final judgment, order, or decree in the same manner as if the consolidation *or merger* had not been made, or the consolidated *or merged* corporation may be substituted as a party to the action or proceeding, and any judgment, order, or decree may be rendered for or against it that might have been rendered for or against that corporation if the consolidation *or merger* had not occurred.

Sec. 16. Minnesota Statutes 1988, section 49.41, is amended to read:

49.41 [RIGHTS OF DISSENTING STOCKHOLDERS.]

Any stockholder not voting in favor of the agreement of consolidation *or merger* at the meeting prescribed in section 49.37 may, at that meeting, or within 20 days thereafter, object to the consolidation *or merger* and demand payment for that person's stock. If the consolidation *or merger* takes effect at any time after this demand, the stockholder may, at any time within 60 days thereafter, apply to the district court in the county wherein is situated the principal place of business of the corporation with which the other or others are consolidated *or merged*, for the appointment of three persons to appraise the value of that person's stock. The court shall thereupon appoint these appraisers and designate the time and place of their first meeting, with such directions in regard to their proceedings as shall be deemed proper, and also direct the time and manner in which payment

shall be made of the value of that person's stock to the stockholder. The appraisers shall meet at the time and place designated, after being duly sworn to discharge their duties honestly and faithfully, make and certify a written estimate of the value of the stock at the time of the appraisal, and deliver one copy to the corporation and another to the stockholder, if demanded. The charges and expenses of the appraisers shall be paid one-half by the stockholder and one-half by the corporation. When the corporation shall have paid the appraised value of this stock, the stock shall be canceled and this stockholder shall cease to be a member of the corporation or to have any interest in this stock or in the corporation or in the corporate property, and this stock may be held and disposed of by the corporation for its own benefit.

Sec. 17. Minnesota Statutes 1988, section 53.015, is amended to read:

53.015 [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of this chapter, the terms defined in this section shall have the meanings given them.

Subd. 2. [~~PAID-IN CAPITAL SURPLUS.~~] "~~Paid in capital Surplus~~" means *the sum total of all funds: (1) received as consideration received in excess of the par value of preferred or common stock; and (2) transferred from individual profits as dedicated funds, by action of the board of directors.*

Subd. 3. [~~INVESTED INCOME UNDIVIDED PROFITS.~~] "~~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 STOCK.~~] "~~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.~~] "~~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.~~] "~~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. 18. Minnesota Statutes 1988, 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 capital surplus~~ 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 capital surplus~~ of at least ten percent of the capital of the corporation represented by shares of common stock.

Sec. 19. Minnesota Statutes 1988, section 53.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION, FEE, NOTICE.] Any corporation hereafter organized as an industrial loan and thrift company, shall, after compliance with the requirements set forth in sections 53.01 and 53.02, file a written application with the department of commerce for a certificate of authorization. A corporation that will not sell or issue thrift certificates for investment as permitted by this chapter need not comply with subdivision 2b. The application must be in the form prescribed by the department of commerce. The application must be made in the name of the corporation, executed and acknowledged by an officer designated by the board of directors of the corporation, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a \$1,000 filing fee and a \$500 investigation fee. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. The applicant shall also submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto at that time. If the application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited to the general fund shall be paid by the applicant and 50 percent equally by the intervening parties. A notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a *qualified* newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be none, in a *qualified* newspaper ~~published at the county seat of the county~~ *likely to give notice in the municipality* in which the company is proposed to be located. If the department of commerce receives a written objection to the application from any person within 20 days of the notice having been fully published a contested case hearing must be conducted on the application. Notice of a hearing in connection with this section must be published once in the form prescribed by the department of commerce, at the expense of the applicant, in the same manner as a notice of application.

Sec. 20. Minnesota Statutes 1988, 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. 21. Minnesota Statutes 1988, 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 stock and appropriated reserves 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.~~

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. However, industrial loan and thrift companies with deposit liabilities must comply with the provisions of section 48.24; 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. 22. Minnesota Statutes 1988, 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. 23. Minnesota Statutes 1988, section 53.08, is amended to read:

53.08 [DIVIDENDS.]

*Subdivision 1.* [GENERAL CONDITIONS FOR 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.

*Subd. 2.* [SPECIAL CONDITIONS FOR DEPOSIT COMPANIES.] In addition to the conditions in subdivision 1, industrial loan and thrift companies having outstanding time certificates of indebtedness, savings accounts, or savings deposits must comply with the following special conditions:

(1) the dividend period for the purpose of declaring dividends shall be the period beginning on January 1 and ending as of the close of business December 31 of each calendar year and the net income for this period shall be determined from the consolidated report of income of each company;

(2) the department of commerce will supply each company with forms to be completed with information called for. The forms must be mailed or delivered to the commissioner within ten days of the date of declaration of any dividend and at least 15 days before the proposed payment date of any dividend. The forms shall contain a statement by the commissioner providing that if certain requirements as set forth in the statement are met, the company may pay a cash dividend or dividends without specific approval of the commissioner in the year after the dividend period in amounts so as not to reduce the company's capital, surplus, undivided profits, and reserves below these requirements;

*(3) declared dividends shall be deducted from undivided profits and carried on the books as another liability entitled "dividends payable." The other liability account shall be reversed upon payment or nonapproval by the commissioner; and*

*(4) except as provided in clause (2), no company shall pay a cash dividend to its stockholders until written approval for the dividend has been obtained from the commissioner.*

Sec. 24. Minnesota Statutes 1988, 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. 25. Minnesota Statutes 1988, section 54.294, subdivision 1, is amended to read:

Subdivision 1. [DOCUMENTS FILED FOR EXAMINATION.] *Notwithstanding the examination frequency prescribed by section 46.04, the examination of the face amount certificate companies described in Minnesota Statutes 1974, section 54.26, shall be carried out on an annual basis by the commissioner. In conducting such examination, the commissioner may utilize reports which have been audited and attested to by independent certified public accountants. The procedures employed by the independent certified public accountants shall conform to generally accepted auditing standards. Each face amount certificate investment company shall file with the commissioner copies of its prospectuses, semiannual and annual reports to shareholders, S-1 registration statements and amendments thereto, and annual reports to the United States Securities and Exchange Commission, all as filed pursuant to the requirements of the Securities Act of 1933, as amended and the rules and regulations adopted pursuant thereto, the Securities Exchange Act of 1934, as amended and the rules and regulations adopted pursuant thereto, and the Investment Company Act of 1940, as amended and the rules and regulations adopted pursuant thereto. The commissioner may accept as filed copies of the foregoing material previously filed with the commissioner of commerce. Other face amount certificate investment companies described in Minnesota Statutes 1974, section 54.26, shall file with the commissioner copies of their semiannual and annual reports, which annual reports have been audited and attested to by independent certified public accountants as to assets maintained on deposit and the value thereof, and semiannual and annual reports, which annual reports have been certified by independent certified public accountants, as to certificate liabilities.*

Sec. 26. Minnesota Statutes 1988, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in a principal amount not exceeding \$35,000 or ten percent of a corporate licensee's ~~contributed~~ capital 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. 27. Minnesota Statutes 1988, section 56.155, subdivision 2, is amended to read:

Subd. 2. [PROPERTY INSURANCE.] A licensee may require the obligors to provide insurance on real or personal property security against reasonable risks of loss, damage, and destruction. The amount and term of the insurance shall be reasonable in relation to the value of the security, ~~but the amount and term of the insurance and shall not exceed the principal amount of the loan and term of the loan less any existing insurance, including homeowner's insurance as defined by section 65A.27, subdivision 4, on the secured property as to which the lender has been provided a loss payable clause, except that the lender may insure or arrange for insurance not to exceed the reasonable value of any motor vehicle collateral less any existing insurance on the motor vehicle as to which the lender has been provided a loss payable clause. The term of the insurance shall also be reasonable in relation to the value of the security and shall not exceed the term of the loan.~~ The restrictions contained in this subdivision shall not apply to the sale or provision of homeowner's insurance as defined in section 65A.27. In all cases when insurance is offered the obligor shall be informed that the obligor has the option of providing insurance through existing policies of insurance that the obligor owns or controls, or by procuring and furnishing the offered coverage through any insurer authorized to transact an insurance business within this state. The purchase of such insurance through the licensee or from an agent, broker, or insurer specified by the licensee shall not be required."

Delete the title and insert:

"A bill for an act relating to financial institutions; industrial loan and thrifts; regulating capital stock and surplus requirements; regulating the publication of application notices; imposing a residency requirement on directors of certain companies; imposing special dividend conditions for deposit companies; amending Minnesota Statutes 1988, sections 46.041, subdivision 2; 47.015, subdivision 1; 47.101, subdivision 2; 47.16, subdivision 1; 47.54, subdivision 1; 48.475, subdivision 3; 48.48, subdivision 1; 49.33; 49.34, subdivision 1; 49.35; 49.36, subdivision 1; 49.37; 49.38; 49.39; 49.40; 49.41; 53.015; 53.02; 53.03, subdivisions 1 and 5; 53.05; 53.06; 53.08; 53.09, subdivision 3; 54.294, subdivision 1; 56.131, subdivision 1; and 56.155, subdivision 2."

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. 491: A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements and funding sources; modifying income

eligibility requirements for medical assistance; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 256B.056, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete line 9

Page 2, line 10, delete everything before the second "The" and insert "Three members are appointed by the governor, one of whom must be an experienced health care professional and one of whom must be a representative of small business. Two members are appointed under the rules of the senate and two members are appointed under the rules of the house of representatives."

Page 5, line 26, delete "x-rays" and insert "X-rays"

Page 5, line 27, delete "eye glasses" and insert "eyeglasses"

Page 7, after line 17, insert:

"Subd. 4. [PAYER OF LAST RESORT.] Notwithstanding subdivisions 2 and 3, a health care access commission health plan does not cover medical care or services that are covered under any other health plan, insurance policy, or medical care program."

Page 7, line 20, delete "1990" and insert "1991"

Page 8, line 4, delete everything after "employed" and insert "in Minnesota."

Page 8, delete line 5

Page 8, line 21, delete everything after the second "income"

Page 8, line 22, delete everything before the semicolon

Pages 9 and 10, delete subdivision 2 and insert:

"Subd. 2. [SLIDING FEE SCHEDULE FOR PREMIUMS.] A participant's share of the premium for minimum core coverage is based on the participant's family income in relation to the federal poverty guidelines, according to the following schedule:

**SLIDING FEE SCHEDULE FOR DETERMINING  
INSURANCE PREMIUM SUBSIDIES**

*Income as a percent  
of the federal  
poverty guideline*

*Enrollee share of premium*

*Under 125 percent  
126 - 200 percent  
201 - 250 percent  
251 - 300 percent  
Over 300 percent*

*0 percent  
15 percent  
50 percent  
75 percent  
100 percent"*

Page 12, line 18, delete "sections" and insert "section 8, and other sources of funding established or approved by the legislature."

Page 12, delete line 19

Pages 13 to 18, delete sections 12 to 14 and insert:

"Sec. 12. [HEALTH CARE ACCESS COMMISSION REPORT.]

(a) *The health care access commission shall:*

(1) *develop a financial plan for implementing sections 1 to 11, including an actuarial analysis, a sliding fee scale analysis, reserve fund requirements, and revenue projections from a one percent payroll tax and any alternative sources of financing identified by the commission;*

(2) *develop a system to estimate the total number of uninsured Minnesotans by age, sex, employment status, income level, geography, and other relevant characteristics;*

(3) *define the number, functions, and duties of administrative staff;*

(4) *develop a system for collection of premium payments;*

(5) *prepare a legal analysis of ERISA restrictions and other potential legal issues;*

(6) *develop a system to administer the health care access program created in sections 1 to 11;*

(7) *collect and analyze data regarding the problem of uncompensated health care and report the commission's findings and recommendations, including definitions of the terms "uncompensated care," "unsponsored care," and "bad debt," as they relate to the provision of health care in Minnesota; and recommendations for more equitably distributing the burden of uncompensated health care;*

(8) *identify cost savings to public programs that will result from implementation of sections 1 to 11;*

(9) *develop a cost containment policy after reviewing cost containment methods such as hospital admission precertification, concurrent review of hospital stays, discharge planning, hospital bill audit prior to discharge, primary gatekeepers, claims data analysis, a drug formulary, pharmacy data analysis, bulk discounts, emergency room use, outpatient surgery oversight, protocols for preventive care and common acute care, practice data compared to peers, practitioner rewards and penalties, and other cost containment methods;*

(10) *explore all potential insurance options including size and makeup of risk groups;*

(11) *study and make recommendations on incentives and disincentives to ensure that employers continue to provide health insurance coverage;*

(12) *study and make recommendations regarding the benefits covered by health plans offered by the health care access commission, as described in section 4, including recommendations for changes, if any; and*

(13) *recommendations for other technical improvements or changes to sections 1 to 11.*

(b) *The commission shall report to the legislature by February 15, 1990, with the results of its study and its specific recommendations, including proposed language for legislation necessary to implement sections 1 to 11."*



Page 18, line 27, delete "1990" and insert "1991"

Page 18, line 31, delete "11, 14, and 15" and insert "13"

Page 18, delete line 33

Page 18, line 34, delete "(c)" and insert "(b)" and delete "1990" and insert "1991, but only if the legislature has taken action to provide sufficient funding for the health care access account to allow the health care access commission to offer coverage to eligible persons"

Re-number the sections of article 1 in sequence

Amend the title as follows:

Page 1, line 6, delete "and funding sources"

Page 1, line 10, delete everything after the semicolon

Page 1, line 11, delete everything before "proposing"

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 and Rural Development, to which was re-referred

S.F. No. 262: A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; establishing a legislative commission on water; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating water conservation, water appropriations, and setting fees; establishing regulations, enforcing violations, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 5, 12, 15, 19, 21, 26, 29, and by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 18B.07, subdivisions 2, 3, 4, and 6; 18B.08, subdivisions 1, 3, and 4; 18B.17, subdivision 2; 18B.18; 18B.20, subdivisions 1, 2, and 3; 18B.21; 18B.25, by adding a subdivision; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3 and 7; 18B.34, subdivisions 1, 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, 3, and 4; 40.42, by adding a subdivision; 40.43, subdivisions 2 and 6; 105.41, subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 105.418; 110B.04, subdivision 6; 115B.20; 116C.41, subdivision 1; 116E.02; 116E.03; 144.381; 144.382, subdivision 1, and by adding a subdivision; and 473.877, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.15; 18B.16; 18B.19; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
CHAPTER 103H  
GROUNDWATER PROTECTION

Section 1. [103H.001] [DEGRADATION PREVENTION GOAL.]

*Subdivision 1. [GOAL.] The state shall maintain its groundwater as free from degradation as practicable. Where degradation prevention is not currently practicable, the state shall encourage development of methods and technology that will make degradation prevention practicable in the future.*

*Subd. 2. [FOCUS OF CHAPTER 103H.] The focus of this chapter is not on pollution spills, incidents, or specific releases or their cleanup actions but rather on protection of groundwater from pollution that occurs from a number of accepted activities or normal uses that cumulatively cause pollution to be commonly detected in groundwater and can be a risk to human health.*

Sec. 2. [103H.005] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.*

*Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" means a pesticide, fertilizer, plant amendment, or soil amendment.*

*Subd. 3. [ADOPTED LONG-TERM RISK MEASUREMENT.] "Adopted long-term risk measurement" means a concentration of a substance or chemical adopted by rule of the commissioner of health that is a potential drinking water contaminant because of a systemic or carcinogenic toxicological result from consumption.*

*Subd. 4. [BEST MANAGEMENT PRACTICES.] "Best management practices" means practicable voluntary practices that are capable of preventing and minimizing degradation of groundwater, considering economic factors, availability, technical feasibility, implementability, effectiveness, and environmental effects. Best management practices apply to schedules of activities; design and operation standards; restrictions of practices; maintenance procedures; management plans; practices to prevent site releases, spillage, or leaks; application and use of chemicals; drainage from raw material storage; operating procedures; treatment requirements; and other activities causing groundwater degradation.*

*Subd. 5. [COMMON DETECTION.] "Common detection" means detection of a pollutant that is not due to misuse or unusual or unique circumstances, but is likely to be the result of normal use of a product or practice and that frequency of detection of the pollutant can be expected under similar conditions.*

*Subd. 6. [DEGRADATION.] "Degradation" means changing groundwater from its natural condition by human activities.*

*Subd. 7. [FERTILIZER.] "Fertilizer" has the meaning given in chapter 18C.*

*Subd. 8. [PESTICIDE.] "Pesticide" has the meaning given in section*

18B.01, subdivision 18.

Subd. 9. [PLANT AMENDMENT.] "*Plant amendment*" has the meaning given in chapter 18C.

Subd. 10. [POLLUTANT.] "*Pollutant*" means a chemical or substance for which an adopted long-term risk measurement has been adopted.

Subd. 11. [POLLUTION.] "*Pollution*" means degradation of groundwater by a pollutant as a result of human activities.

Subd. 12. [REGISTERED USE.] "*Registered use*" means for a pesticide the use of the pesticide authorized by the pesticide's registration and labeling under chapter 18B.

Subd. 13. [REGISTRANT.] "*Registrant*" means the person who has registered a pesticide under chapter 18B.

Subd. 14. [SENSITIVE AREA.] "*Sensitive area*" means a geographic area defined by natural features where there is a significant risk of groundwater degradation from activities conducted at or near the land surface.

Subd. 15. [SOIL AMENDMENT.] "*Soil amendment*" has the meaning given in chapter 18C.

Subd. 16. [WATER RESOURCE PROTECTION PLAN.] "*Water resource protection plan*" means voluntary measures established by order for one or more pollutants intended to prevent and minimize pollution of groundwater. Water resource protection plans may include design criteria standards, operation and maintenance procedures, practices to prevent releases, spills, leaks, and incidents, restrictions on use and practices, and recommended treatments.

Subd. 17. [WATER RESOURCE PROTECTION REQUIREMENTS.] "*Water resource protection requirements*" means requirements adopted by rule for one or more pollutants intended to prevent and minimize pollution of groundwater. Water resource protection requirements include design criteria, standards, operation and maintenance procedures, practices to prevent releases, spills, leaks, and incidents, restrictions on use and practices, and treatment requirements.

Subd. 18. [WATER OR GROUNDWATER.] "*Water*" or "*groundwater*" means groundwater as defined in section 115.01, subdivision 21.

## PROTECTION OF SENSITIVE AREAS

### Sec. 3. [103H.101] [PROTECTION OF SENSITIVE AREAS.]

Subdivision 1. [CRITERIA FOR DETERMINATION OF SENSITIVE AREAS.] *The commissioner of natural resources in consultation with the Minnesota geological survey, soil and water conservation districts, local water planning authorities, and other interested parties shall develop specific criteria for identifying sensitive groundwater areas and adopt the criteria by rule.*

Subd. 2. [IDENTIFICATION OF SENSITIVE AREAS.] *The commissioner of natural resources shall, in consultation with the Minnesota geological survey, identify the location of sensitive areas by mapping and other appropriate methods after consulting the Minnesota geological survey, soil and water conservation districts, and local water planning authorities.*

*Subd. 3. [NOTIFICATION OF LOCATION OF SENSITIVE AREAS.] The commissioner of natural resources shall:*

*(1) notify political subdivisions with planning or zoning authority and provide maps and other materials that show where sensitive areas are located and indicate the type of risk of groundwater degradation that may occur from activities at or near the surface; and*

*(2) publish notification of sensitive areas in a newspaper of general circulation in the county where the sensitive areas are located.*

*Subd. 4. [INFORMATION GATHERING.] The commissioner of natural resources shall coordinate the collection of state and local information to identify sensitive areas. Information must be automated on or accessible to systems developed at the land management information center of the state planning agency.*

*Subd. 5. [STATE PROTECTION OF SENSITIVE AREAS.] State agencies must consider the special characteristics of a designated sensitive area and prevent and minimize groundwater degradation in exercising their authority in the area or undertaking or authorizing an activity that may cause groundwater degradation within a sensitive area.*

**Sec. 4. [103H.105] [CONSERVATION EASEMENTS TO PROTECT SENSITIVE AREAS.]**

*(a) Agricultural land within a sensitive area is marginal agricultural land for purposes of section 40.43, subdivision 2, and is eligible for the conservation reserve program under section 40.43.*

*(b) Notwithstanding section 40.43, subdivision 2, clauses (2) and (5), and subdivision 4, the board of water and soil resources may authorize acquisition of hillside easements that restrict hillside pasturing or grazing of livestock.*

**Sec. 5. [103H.111] [LIABILITY AFTER PROTECTION OF SENSITIVE AREA.]**

*Subdivision 1. [DEFENSE TO LIABILITY.] By complying with subdivision 2, a landowner has a complete defense to liability under other law for degradation of groundwater caused by surface water recharging groundwater. The defense applies to the property allowing recharge of groundwater that is located in a sensitive area and subject to a plan under subdivision 2 after subdivision 2 is complied with.*

*Subd. 2. [PROTECTION PLAN AND PROJECT.] A person has the defense under subdivision 1 if:*

*(1) the soil and water conservation district adopts a plan to protect groundwater from degradation through surface water recharge that applies to the person's property;*

*(2) the projects and practices prescribed by the plan are implemented and clarified as being implemented by the soil and water conservation district;*

*(3) the projects and practices are maintained according to the plan; and*

*(4) unlawful practices are not allowed by the landowner on the property that would disrupt the project and practices implemented under the plan.*

**Sec. 6. [103H.151] [BEST MANAGEMENT PRACTICES.]**

*Subdivision 1. [DEVELOPMENT BY POLLUTION CONTROL AGENCY.] Except as provided in subdivision 2 for agricultural chemicals and practices, the pollution control agency in consultation with local water planning authorities shall develop best management practices for the prevention of groundwater degradation for specific activity categories. The pollution control agency shall contact and receive comments from affected persons and businesses in developing the best management practices. The pollution control agency must publish notice and also solicit comments and recommendations from state agencies and local governments affected by or regulating the activities.*

*Subd. 2. [AGRICULTURAL CHEMICAL BEST MANAGEMENT PRACTICES.] The commissioner of agriculture in consultation with local water planning authorities shall develop best management practices for agricultural chemicals and practices. The commissioner shall give public notice and contact and receive comment from affected persons and businesses interested in developing the best management practices.*

*Subd. 3. [EDUCATION AND PROMOTION.] The commissioners of the pollution control agency and agriculture, in conjunction with the board of water and soil resources, soil and water conservation districts, and the Minnesota extension service, must promote best management practices and provide education about how the use of best management practices will prevent, minimize, reduce, and eliminate the source of groundwater degradation. The promotion and education shall include demonstration projects.*

#### GROUNDWATER QUALITY MONITORING

##### Sec. 7. [103H.175] [GROUNDWATER QUALITY MONITORING.]

*Subdivision 1. [MONITORING RESULTS TO BE SUBMITTED TO THE ENVIRONMENTAL QUALITY BOARD.] The results of monitoring groundwater quality by state agencies and political subdivisions must be submitted to the environmental quality board.*

*Subd. 2. [COMPUTERIZED DATA BASE.] The environmental quality board shall maintain a computerized data base of the results of groundwater quality monitoring in a manner that is accessible to the pollution control agency, department of agriculture, department of health, and department of natural resources. The environmental quality board shall assess the quality and reliability of the data and organize the data in a usable format.*

#### ADOPTED LONG-TERM RISK MEASUREMENTS

##### Sec. 8. [103H.201] [ADOPTED LONG-TERM RISK MEASUREMENTS.]

*Subdivision 1. [PROCEDURE.] (a) If groundwater quality monitoring results show that there is a degradation of groundwater, the commissioner of health may promulgate adopted long-term risk measurements for substances degrading the groundwater.*

*(b) Adopted long-term risk measurements shall be determined by two methods depending on their toxicological end point.*

*(c) For systemic toxicants that are not carcinogens, the adopted long-term risk measurement shall be derived using United States Environmental Protection Agency risk assessment methods using a reference dose, a drinking water equivalent, an uncertainty factor, and a factor for relative source contamination, which in general will measure an estimate of daily exposure to the human population, including sensitive subgroups, that is unlikely to*

result in deleterious effects during long-term exposure.

(d) For toxicants that are known or probable carcinogens, the adopted long-term risk measurement shall be derived from a quantitative estimate of the chemical's carcinogenic potency published by the United States Environmental Protection Agency's carcinogen assessment group.

(e) Maximum contaminant levels adopted under the federal Clean Water Drinking Act are adopted long-term risk measurements for the chemicals and substances for which they are adopted.

Subd. 2. [REVIEW AND REVISION.] *The commissioner of health must review adopted long-term risk measurements every four years and revise them if necessary.*

## EVALUATION AND COMMON DETECTION OF POLLUTION

### Sec. 9. [103H.251] [EVALUATION OF DETECTION OF POLLUTANTS.]

Subdivision 1. [METHODS.] *(a) The commissioner of agriculture for pollution resulting from agricultural chemicals and practices and the pollution control agency for other pollutants shall evaluate the detection of pollutants in groundwater of the state. Evaluation of the detection may include collection technique, sampling handling technique, laboratory practices, other quality control practices, climatological conditions, and potential pollutant sources.*

*(b) If conditions indicate a likelihood of the detection of the pollutant or pollutant breakdown product to be a common detection, the commissioner of agriculture or the pollution control agency must begin development of best management practices and continue to monitor for the pollutant or pollutant breakdown products.*

Subd. 2. [ANALYSIS OF POLLUTION TREND.] *The commissioner of agriculture for pollution resulting from agricultural chemicals and practices and the pollution control agency for other pollutants shall develop and implement groundwater monitoring and hydrogeologic evaluation following pollution detection to evaluate pollution frequency and concentration trend. Assessment of the site-specific and pollutant-specific conditions and the likelihood of common detection must include applicable monitoring, pollutant use information, physical and chemical properties of the pollutant, hydrogeologic information, and review of information and data from other local, state, or federal monitoring data bases.*

### Sec. 10. [103H.275] [MANAGEMENT OF POLLUTANTS WHERE GROUNDWATER IS POLLUTED.]

Subdivision 1. [AREAS WHERE GROUNDWATER POLLUTION IS DETECTED.] *If groundwater pollution is detected, a state agency or political subdivision that regulates an activity causing or potentially causing a contribution to the pollution identified shall promote implementation of best management practices to prevent or minimize the source of pollution to the extent practicable.*

Subd. 2. [AREAS WHERE DETECTION INDICATES RISKS.] *(a) If, by common detection, groundwater pollution exists, the pollution control agency or for agricultural chemicals the commissioner of agriculture may, or if the common detection trend analysis indicates the common detection will exceed the adopted long-term risk measurement the pollution control agency or for agricultural chemicals the commissioner of agriculture must:*

- (1) adopt a water resource protection plan; and
- (2) develop more effective best management practices.

(b) The water resources protection plan shall be:

- (1) designed to prevent and reduce the pollution to the extent practicable;
- (2) consistent with the goal of section 1; and
- (3) designed to prevent the pollution from exceeding the adopted long-term risk measurement.

**Subd. 3. [AREAS WHERE SIGNIFICANT HEALTH RISK EXISTS.]**

If, by common detection, groundwater pollution meets or exceeds, or the common detection trend analysis indicates the common detection will exceed the adopted long-term risk measurement, the pollution control agency or for agricultural chemicals and practices the commissioner of agriculture shall adopt by rule water resource protection requirements to prevent and minimize the pollution to the extent practicable. The proposed rule must be submitted to the commission on water for review before adoption. The water resource protection requirements must be based on the use and effectiveness of best management practices, the product use and practices contributing to the pollution detected, economic factors, availability, technical feasibility, implementability, and effectiveness. The water resource protection requirements may be adopted for one or more pollutants or a similar class of pollutants. A water resource protection requirement may not be adopted before January 1, 1991.

(b) Before the water resource protection requirements are adopted, the pollution control agency or the commissioner of agriculture for agricultural chemicals and practices must notify affected persons and businesses for comments and input in developing the water resource protection requirements.

(c) Unless the water resource protection requirements are to cover the entire state, the water resource protection requirements are only effective in areas designated by the commissioner of the pollution control agency by order or for agricultural chemicals and practices in areas designated by the commissioner of agriculture by order. The procedures for issuing the order and the effective date of the order must be included in the water resource protection requirements rule.

(d) The water resource protection requirements rule must contain procedures for notice to be given to persons affected by the rule and order of the commissioner. The procedures may include notice by publication, personal service, and other appropriate methods to inform affected persons of the rule and commissioner's order.

(e) A person who is subject to a water resource protection requirement may apply to the pollution control agency, or for agricultural chemicals and practices the commissioner of agriculture, and suggest an alternative protection requirement. Within 30 days after receipt, the agency or commissioner of agriculture must approve or deny the request. If the pollution control agency or commissioner of agriculture approves the request, an order must be issued approving the alternative protection requirement.

(f) A person who violates a water resource protection requirement relating to pollutants is subject to the penalties for violating a rule adopted under chapter 116. A person who violates a water resource protection requirement relating to agricultural chemicals and practices is subject to

*the penalties for violating a rule adopted under chapter 18B.*

*(g) The authority of the pollution control agency and the commissioner of agriculture in this section is supplemental to other authority given by law and does not restrict other authorities.*

**Sec. 11. [NITROGEN COMPOUNDS IN GROUNDWATER STUDY.]**

*The pollution control agency and the department of agriculture, in consultation with the board of water and soil resources, shall prepare a report on nitrate and related inorganic nitrogen compounds in groundwater. The report shall consider recommendations made by local government in comprehensive local water plans and shall incorporate the findings of the nitrogen fertilizer task force. This report shall be submitted to the legislative commission on water by July 1, 1991. The commission shall provide recommendations to the legislature by November 15, 1991, based upon this report.*

*The report shall be based on existing information and shall examine areas in which improvements in the state and local response to this problem are feasible. The report shall address the following issues: the determination of trends in nitrogen pollution; causative factors; the development of recommended best management practices to reduce and minimize the pollution; regulatory controls; the feasibility of proposed treatment and corrective or mitigative measures; and the economic impacts of proposed corrective measures.*

**ARTICLE 2**

**WATER RESEARCH, INFORMATION, AND EDUCATION**

**Section 1. [3.887] [LEGISLATIVE COMMISSION ON WATER.]**

*Subdivision 1. [ESTABLISHMENT.] A legislative commission on water is established in the legislative branch.*

*Subd. 2. [MEMBERSHIP.] (a) The legislative commission on water shall consist of 12 members appointed as follows:*

*(1) six members of the senate to be appointed by the subcommittee on committees and to serve until their successors are appointed; and*

*(2) six members of the house of representatives to be appointed by the speaker of the house and to serve until their successors are appointed.*

*(b) Vacancies shall be filled in the same manner as the original positions.*

*(c) Vacancies occurring on the commission do not affect the authority of the remaining members of the commission to carry out the function of the commission.*

*Subd. 3. [COMMITTEES.] Two committees shall be established in the legislative commission on water, one on groundwater and one on surface water.*

*Subd. 4. [STAFF] The legislative commission on water may, without regard to the civil service laws and regulations, appoint and fix the compensation of additional legal and other personnel and consultants necessary to enable the commission to carry out its function, or to contract for services to supply necessary data. State employees subject to civil service laws and regulations who may be assigned to the commission shall retain civil service status without interruption or loss of status or privilege.*



*Subd. 5. [POWERS AND DUTIES.] (a) The legislative commission on water shall review water policy reports and recommendations of the environmental quality board, the biennial report of the board of water and soil resources, and other water-related reports as may be required by law or the legislature.*

*(b) The commission may conduct public hearings and otherwise secure data and comments.*

*(c) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.*

*(d) Data or information compiled by the commission or its committees shall be made available to standing and interim committees of the legislature on request of the chair of the respective committee.*

*Subd. 6. [STUDY.] The legislative commission on water shall study the recommendations of the environmental quality board for the management and protection of water resources in the state, and shall report its findings to the legislature by November 15, 1991, on the state's water management needs for the year 2000.*

*Subd. 7. [EFFECTS OF SUSTAINABLE AGRICULTURE.] The commission shall study the implementation and effects of sustainable agriculture in the state including current and potential practices and their effect on water and groundwater.*

*Subd. 8. [REPEALER.] This section is repealed effective June 30, 1995.*

**Sec. 2. [17.114] [SUSTAINABLE AGRICULTURE.]**

*Subdivision 1. [PURPOSE.] To assure the viability of agriculture in this state, the commissioner shall investigate, demonstrate, report on, and make recommendations on the current and future sustainability of agriculture in this state. Sustainable agriculture has the meaning given to it in Laws 1987, chapter 396, article 12, section 6.*

*Subd. 2. [DEFINITIONS.] For purposes of this section, the following definitions apply:*

*(a) "Sustainable agriculture" represents the best aspects of traditional and modern agriculture by using a fundamental understanding of nature as well as the latest scientific advances to create integrated, self-reliant, resource conserving practices that enhance the enrichment of the environment and provide short- and long-term productive agriculture.*

*(b) "Integrated pest management" means use of a combination of approaches, incorporating the judicious application of ecological principles, management techniques, cultural and biological controls, and chemical methods, to keep pests below levels where they do economic damage.*

*Subd. 3. [DUTIES.] The commissioner shall:*

*(1) establish a clearinghouse and provide information, appropriate educational opportunities and other assistance to individuals, producers, and groups about sustainable agricultural techniques, practices, and opportunities;*

*(2) survey producers and support services and organizations to determine information and research needs in the area of sustainable agricultural practices;*

(3) *demonstrate the on-farm applicability of sustainable agriculture practices to conditions in this state;*

(4) *coordinate the efforts of state agencies regarding activities relating to sustainable agriculture;*

(5) *direct the programs of the department so as to work toward the sustainability of agriculture in this state;*

(6) *inform agencies of how state or federal programs could utilize and support sustainable agriculture practices;*

(7) *work closely with farmers, the University of Minnesota, and other appropriate organizations to identify opportunities and needs as well as assure coordination and avoid duplication of state agency efforts regarding research, teaching, and extension work relating to sustainable agriculture; and*

(8) *report to the legislature every odd-numbered year. The report must include:*

*(i) the presentation and analysis of findings regarding the current status and trends regarding the economic condition of producers; the status of soil and water resources utilized by production agriculture; the magnitude of off-farm inputs used; and the amount of nonrenewable resources used by Minnesota farmers;*

*(ii) a description of current state or federal programs directed toward sustainable agriculture including significant results and experiences of those programs;*

*(iii) a description of specific actions the department of agriculture is taking in the area of sustainable agriculture;*

*(iv) a description of current and future research needs at all levels in the area of sustainable agriculture; and*

*(v) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect farm profitability, maintain soil and water quality, reduce input costs, or lessen dependence upon nonrenewable resources.*

**Subd. 4. [INTEGRATED PEST MANAGEMENT APPROACH.]** *The commissioner shall develop a statewide strategy for the promotion and use of integrated pest management. The commissioner shall develop the strategy in consultation and cooperation with state agencies, the University of Minnesota, the Minnesota extension service, local units of government, and the private sector. The strategy shall include delineation of the roles and responsibilities of state agencies, higher education, local units of government, and the private sector.*

**Subd. 5. [COOPERATION OF OTHER AGENCIES.]** *Other state agencies and the University of Minnesota shall cooperate with the commissioner in the exercise of the responsibilities in this section. The commissioner shall consult with the University of Minnesota and other agencies and organizations in carrying out these duties.*

**Sec. 3. [17.117] [ENVIRONMENTAL AGRICULTURALIST EDUCATION PROGRAM.]**

**Subdivision 1. [POSITION DUTIES.]** *An environmental agricultural program is established:*

- (1) to work with agricultural producers;
- (2) to advise and inform agricultural producers on the impact of certain farming practices on water quality;
- (3) to promote sustainable agriculture through use of best management practices and integrated pest management;
- (4) to demonstrate and evaluate alternative pesticide practices; and
- (5) to develop and promote farm profitability through a reduction in farm inputs.

Subd. 2. [CONTRACT.] *The legislative commission on water may request proposals and award contracts for the program.*

Sec. 4. Minnesota Statutes 1988, section 40.42, is amended by adding a subdivision to read:

Subd. 6a. [SENSITIVE AREA.] *“Sensitive area” means the sensitive areas delineated by mapping or areas under article 1, section 3.*

Sec. 5. Minnesota Statutes 1988, 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 *complies with paragraph (b) and:*

- (1) is marginal agricultural land; ~~or;~~
- (2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description; ~~or;~~
- (3) consists of a drained wetland; ~~or is land that with a windbreak would be beneficial to resource protection.~~, and 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;
- (4) is land that with a windbreak would be beneficial to resource protection;
- (5) is land in a sensitive area; or
- (6) is land on a hillside used for pasture.

(b) Land under paragraph (a) may be placed in the conservation reserve program if the land:

- ~~(2)~~ (1) 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)~~ (2) 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)~~ (3) is not set aside, enrolled or diverted under another federal or state government program; and
- ~~(5)~~ (4) except for land on a hillside used for pasture was in agricultural crop production for at least two years during the period 1981 to 1985.

(c) 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.

(d) 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. 6. Minnesota Statutes 1988, section 40.43, subdivision 6, is amended to read:

Subd. 6. [PAYMENTS FOR CONSERVATION EASEMENTS AND ESTABLISHMENT OF COVER.] (a) The commissioner must make the following payments to the landowner for the conservation easement and agreement:

(1) to establish the perennial cover or other improvements required by the agreement, up to 75 percent of the total eligible cost not to exceed \$75 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$100 per acre for perpetual easements;

(2) for the cost of planting trees required by the agreement, up to 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$300 per acre for perpetual easements;

(3) for a permanent easement, 70 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time of easement application;

(4) for an easement of limited duration, 90 percent of the present value of the average of the accepted bids for the federal conservation reserve program, as contained in Public Law Number 99-198, in the relevant geographic area and on bids accepted at the time of easement application; or

(5) an alternative payment system for easements based on cash rent or a similar system as may be determined by the commissioner.

(b) *For hillside pasture conservation easements, the payments in paragraph (a) must be reduced to reflect the value of similar property.*

(c) The commissioner may not pay more than \$50,000 to a landowner for all the landowner's conservation easements and agreements.

Sec. 7. [103A.43] [WATER RESEARCH NEEDS EVALUATION.]

(a) *The environmental quality board shall evaluate and report to the legislative commission on water on statewide water research needs and recommended priorities for addressing these needs. Local water research needs may also be included.*

(b) *The environmental quality board shall conduct a biennial assessment of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water.*

(c) *The environmental quality board shall assess the quantity of surface and ground water in the state and the availability of water to meet the state's needs.*

*(d) The environmental quality board shall prepare and submit a report to the legislative commission on water by November 15 of each even-numbered year.*

Sec. 8. [103B.3361] [CITATION.]

*Sections 103B.3361 to 103B.3369 may be cited as the "local water resources protection and management program."*

Sec. 9. [103B.3363] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The definitions in this section apply to sections 103B.3363 and 103B.3369.*

*Subd. 2. [BOARD.] "Board" means the board of water and soil resources.*

*Subd. 3. [COMPREHENSIVE LOCAL WATER PLAN.] "Comprehensive local water plan" means a county water plan authorized under section 110B.04, a watershed management plan required under section 473.878, a watershed management plan required under section 112.46, or a county groundwater plan authorized under section 473.8785.*

*Subd. 4. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, or soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, a local health board, or other special purpose district or authority with local jurisdiction in water and related land resources management.*

*Subd. 5. [PROGRAM.] "Program" means a water-related program.*

Sec. 10. [103B.3369] [LOCAL WATER RESOURCES PROTECTION AND MANAGEMENT PROGRAM.]

*Subdivision 1. [ESTABLISHMENT.] A local water resources protection and management program is established. The board shall provide financial assistance to counties for local government activities that protect or manage water and related land quality. The activities include planning, zoning, official controls, and other activities to implement comprehensive local water plans.*

*Subd. 2. [COUNTY REQUEST AND SPONSORSHIP] Counties must submit funding requests to the board. A county must coordinate and submit requests on behalf of other units of government within its jurisdiction.*

*Subd. 3. [CONTRACTS WITH LOCAL GOVERNMENTS.] A county may contract with other appropriate local units of government to implement programs. An explanation of the program responsibilities proposed to be contracted with other local units of government must accompany grant requests. A county that contracts with other local units of government is responsible for ensuring that state funds are properly expended and for providing an annual report to the board describing expenditures of funds and program accomplishments.*

*Subd. 4. [FINANCIAL ASSISTANCE.] The board may award grants to counties only to carry out water resource protection and management programs identified as priorities in comprehensive local water plans. Grants may be used to employ persons and to obtain and use information necessary to:*

*(1) develop comprehensive local water plans under section 110B.04 that have not received state funding for water resources planning as provided*

for in Laws 1987, chapter 404, section 30, subdivision 5, clause (a);

(2) implement comprehensive local water plans; and

(3) revision of shoreland zoning ordinances for work to be completed before July 1, 1991.

*Subd. 5. [LIMITATIONS.] (a) Grants provided to implement programs under this section must be reviewed by the state agency having statutory program authority to assure compliance with minimum state standards. At the request of the state agency commissioner, the board shall revoke the portion of a grant used to support a program not in compliance.*

*(b) Grants provided to develop comprehensive local water plans may not be awarded for a time period greater than two years.*

*(c) A county may not request or be awarded grants for project implementation unless a comprehensive water plan has been adopted.*

*Subd. 6. [RULES.] The board shall adopt rules that:*

*(1) establish performance criteria for grant administration for local implementation of state delegated or mandated programs that recognize regional variations in program needs and priorities;*

*(2) recognize the unique nature of state delegated or mandated programs;*

*(3) specify that program activities contracted by a county to another local unit of government are eligible for funding; and*

*(4) require that grants from the board may not exceed the amount matched by participating local units of government.*

*Subd. 7. [PRIORITIES.] (a) In reviewing requests, the board must give priority to requests based on:*

*(1) completion of comprehensive water plans under sections 110B.04 and 473.8785;*

*(2) adoption, administration, and enforcement of official controls;*

*(3) indicate the participation of several local units of government, including multicounty efforts;*

*(4) complement efforts of federal, state, and local units of government; and*

*(5) demonstrate long-term commitments to effective water protection and management programs.*

*(b) The board shall consult with appropriate agencies to evaluate grant requests and coordinate project activities with other state, federal, and local research management projects.*

*(c) Grants specified for shoreland management shall be allocated according to priorities established by the commissioner of natural resources.*

*(d) The grants shall be allocated to counties based on the length of shoreland in the county.*

*(e) Aid from any federal program shall reduce the state and local contribution to the activity equally.*

*(f) Shoreland management rules adopted by the commissioner after January 1, 1989, are not effective until all affected counties receive state*

*appropriations necessary for the adoption, administration, and enforcement of shoreland ordinances.*

Sec. 11. Minnesota Statutes 1988, section 110B.04, subdivision 6, is amended to read:

Subd. 6. [SCOPE OF PLANS.] Comprehensive water plans must include:

(1) a description of the existing and expected changes to physical environment, land use, and development in the county;

(2) available information about the surface water, groundwater, and related land resources in the county, including existing and potential distribution, availability, quality, and use;

(3) objectives for future development, use, and conservation of water and related land resources, including objectives that concern water quality and quantity, *and sensitive areas, wellhead protection areas*, and related land use conditions, and a description of actions that will be taken in affected watersheds or groundwater systems to achieve the objectives;

(4) a description of potential changes in state programs, policies, and requirements considered important by the county to management of water resources in the county;

(5) a description of conflicts between the comprehensive water plan and existing plans of other local units of government;

(6) a description of possible conflicts between the comprehensive water plan and existing or proposed comprehensive water plans of other counties in the affected watershed units or groundwater systems;

(7) a program for implementation of the plan that is consistent with the plan's management objectives and includes schedules for amending official controls and water and related land resources plans of local units of government to conform with the comprehensive water plan, and the schedule, components, and expected state and local costs of any projects to implement the comprehensive water plan that may be proposed, although this does not mean that projects are required by this section; and

(8) a procedure for amending the comprehensive water plan.

Sec. 12. Minnesota Statutes 1988, section 116C.41, subdivision 1, is amended to read:

Subdivision 1. [WATER PLANNING.] The board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) initiate, coordinate, and continue to develop comprehensive long-range water resources planning in furtherance of the plan adopted by the water planning board entitled "A Framework for a Water and Related Land Resources Strategy for Minnesota, 1979" *including a new plan and strategy by November 15, 1990, and each five-year interval afterwards;*

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies; ~~and~~

*(4) coordinate development of state water policy recommendations and priorities, and a recommended program for funding identified needs, including priorities for implementing the state water resources monitoring plan;*

(5) in cooperation with state agencies participating in the monitoring of water resources, develop a plan for monitoring the state's water resources;

(6) administer federal water resources planning with multiagency interests; and

(7) ensure that groundwater quality monitoring and related data is provided and integrated into the Minnesota land management information system according to published data compatibility guidelines. Costs of integrating the data in accordance with data compatibility standards must be borne by the agency generating the data.

### ARTICLE 3

#### CHAPTER 103I

#### WELLS, BORINGS, AND UNDERGROUND USES

##### Section 1. [103I.001] [LEGISLATIVE INTENT.]

*This chapter is intended to protect the health and general welfare by providing a means for the development and protection of the natural resource of groundwater in an orderly, healthful, and reasonable manner. [156A.01]*

##### Sec. 2. [103I.005] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this chapter apply to this chapter.*

*Subd. 2. [BORING.] "Boring" means a hole or excavation that is not used to extract water and includes exploratory borings, environmental bore holes, and test holes.*

*Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health.*

*Subd. 4. [DEPARTMENT.] "Department" means the department of health.*

*Subd. 5. [DRIVE POINT WELL.] "Drive point well" means a well constructed by forcing a pointed well screen, attached to sections of pipe, into the ground with the screen and casing forced or driven into the ground with a hammer, maul, or weight.*

*Subd. 6. [ELEVATOR SHAFT.] "Elevator shaft" means a bore hole, jack hole, drilled hole, or excavation constructed to install an elevator shaft or hydraulic cylinder.*

*Subd. 7. [ELEVATOR SHAFT CONTRACTOR.] "Elevator shaft contractor" means a person with an elevator shaft contractor's license issued by the commissioner.*

*Subd. 8. [ENVIRONMENTAL BORE HOLE.] "Environmental bore hole" means a hole or excavation in the ground that enters or goes through a water bearing layer and is used to monitor or measure physical, chemical, radiological, or biological parameters without extracting water. An environmental bore hole also includes bore holes constructed for vapor recovery or venting systems. An environmental bore hole does not include a well, elevator shaft, exploratory boring, or monitoring well.*

*Subd. 9. [EXPLORATORY BORING.] "Exploratory boring" means a surface drilling done to explore or prospect for oil, natural gas, and metallic*



*minerals, including iron, copper, zinc, lead, gold, silver, titanium, vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium, beryllium, thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and niobium, and a drilling or boring for petroleum.* [156A.02 s. 5]

*Subd. 10. [EXPLORER.] "Explorer" means a person who has the right to drill an exploratory boring.* [156A.02 s. 4]

*Subd. 11. [GROUNDWATER THERMAL EXCHANGE DEVICE.] "Groundwater thermal exchange device" means a heating or cooling device that depends on extraction and reinjection of groundwater from an independent aquifer to operate.* [156A.02 s. 6]

*Subd. 12. [LIMITED WELL CONTRACTOR.] "Limited well contractor" means a person with a limited well contractor's license issued by the commissioner.*

*Subd. 13. [MONITORING WELL.] "Monitoring well" means an excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed to extract groundwater for physical, chemical, or biological testing. "Monitoring well" includes a groundwater quality sampling well.*

*Subd. 14. [MONITORING WELL CONTRACTOR.] "Monitoring well contractor" means a person who is registered by the commissioner to construct monitoring wells.*

*Subd. 15. [PERSON.] "Person" means an individual, firm, partnership, association, or corporation.*

*Subd. 16. [PROVISIONS OF THIS CHAPTER.] "Provisions of this chapter" means the sections in this chapter and rules adopted by the commissioner under this chapter.*

*Subd. 17. [SEALED WELL CERTIFICATE.] "Sealed well certificate" means the certificate containing information required under section 19.*

*Subd. 18. [TEST HOLE.] "Test hole" means a boring that does not enter a water-bearing layer of soil.*

*Subd. 19. [VERTICAL HEAT EXCHANGER.] "Vertical heat exchanger" means an earth-coupled heating or cooling device consisting of a sealed piping system installed vertically in the ground to transfer heat to or from the surrounding earth.* [156A.02 s. 7]

*Subd. 20. [WELL.] "Well" means an excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed if the excavation is intended for the location, diversion, artificial recharge, or acquisition of groundwater. Well includes monitoring wells, drive point wells, and dewatering wells. "Well" does not include:*

*(1) an excavation by backhoe, or otherwise for temporary dewatering of groundwater for nonpotable use during construction, if the depth of the excavation is 25 feet or less;*

*(2) an excavation made to obtain or prospect for oil, natural gas, minerals, or products of mining or quarrying;*

*(3) an excavation to insert media to repressure oil or natural gas bearing formations or to store petroleum, natural gas, or other products;*

(4) an excavation for nonpotable use for wildfire suppression activities;  
or

(5) borings. [156A.02 s.1]

*Subd. 21. [WELL CERTIFICATE.] "Well certificate" means a certificate containing the requirements of section 14, subdivision 1, paragraph (d).*

*Subd. 22. [WELL CONTRACTOR.] "Well contractor" means a person with a well contractor's license. [156A.02 s. 2]*

*Subd. 23. [WELLHEAD PROTECTION AREA.] "Wellhead protection area" means the surface and subsurface area surrounding a well or well field that supplies a public water system, through which contaminants are likely to move toward and reach the well or well field.*

### JURISDICTION OVER WELLS AND BORINGS

Sec. 3. [1031.101] [POWERS AND DUTIES OF THE COMMISSIONER OF HEALTH.]

*Subdivision 1. [POWERS OF COMMISSIONER.] The commissioner has the powers reasonable and necessary to effectively exercise the authority granted by this chapter. [156A.05 s. 1]*

*Subd. 2. [DUTIES.] The commissioner shall:*

(1) regulate the drilling, construction, and sealing of wells;

(2) examine and license well contractors, persons modifying or repairing well casings, well screens, or well diameters; constructing unconventional wells such as drive point wells or dug wells; sealing wells; installing well pumps or pumping equipment; and excavating or drilling holes for the installation of elevator shafts or hydraulic cylinders;

(3) register and examine monitoring well contractors;

(4) license explorers engaged in exploratory boring and examine individuals who supervise or oversee exploratory boring;

(5) after consultation with the commissioner of natural resources and the pollution control agency, establish standards for the design, location, construction, repair, and sealing of wells and elevator shafts within the state; and

(6) issue permits for wells, groundwater thermal devices, vertical heat exchangers, and excavation for holes to install elevator shafts or hydraulic cylinders.

*Subd. 3. [PROCEDURES FOR PERMITS.] The commissioner shall establish procedures for application, approval, and issuance of permits by rule.*

*Subd. 4. [INSPECTIONS BY COMMISSIONER.] The commissioner may inspect, collect water samples, and have access, at all reasonable times, to a well site, including wells drilled, sealed, or repaired. [156A.05 s. 3]*

*Subd. 5. [COMMISSIONER TO ADOPT RULES.] The commissioner shall adopt rules including:*

(1) issuance of licenses for:

(i) qualified well contractors, persons modifying or repairing well casings, well screens, or well diameters;

(ii) persons constructing unconventional wells such as drive points or dug wells;

(iii) persons sealing wells; and

(iv) persons installing well pumps or pumping equipment and excavating holes for installing elevator shafts or hydraulic cylinders;

(2) issuance of registration for monitoring well contractors;

(3) establishment of conditions for examination and review of applications for license and registration;

(4) establishment of conditions for revocation and suspension of license and registration;

(5) establishment of minimum standards for design, location, construction, repair, and sealing of wells to implement the purpose and intent of this chapter;

(6) establishment of a system for reporting on wells drilled and sealed;

(7) modification of fees prescribed in this chapter, according to the procedures for setting fees in section 16A.128;

(8) establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination, for which the commissioner may adopt emergency rules;

(9) establishment of wellhead protection measures for wells serving public water supplies;

(10) establishment of procedures to coordinate collection of well data with other state and local governmental agencies; and

(11) establishment of criteria and procedures for submission of well logs, formation samples or well cuttings, water samples, or other special information required for geologic and water resource mapping. [156A.05 s. 2]

Subd. 6. [FEES FOR VARIANCES.] The commissioner shall charge a nonrefundable application fee of \$150 to cover the administrative cost of processing a request for a variance or modification of rules under Minnesota Rules, part 4725.0400.

#### Sec. 4. [103I.103] [WASTE PREVENTION MAY BE REQUIRED.]

The commissioner of natural resources may require the owners of wells, especially flowing artesian wells, to prevent waste to conserve the groundwater water supply of the state. [105.51 s. 1]

#### Sec. 5. [103I.105] [ADVISORY COUNCIL ON WELLS AND BORINGS.]

(a) The advisory council on wells and borings is established as an advisory council to the commissioner. The advisory council shall consist of 15 voting members. Of the 15 voting members:

(1) one member must be from the department of health, appointed by the commissioner of health;

(2) one member must be from the department of natural resources, appointed by the commissioner of natural resources;

(3) *one member must be a member of the Minnesota geological survey of the University of Minnesota, appointed by the director;*

(4) *one member must be a licensed exploratory borer;*

(5) *one member must be a licensed elevator shaft contractor;*

(6) *two members must be members of the public who are not connected with the business of exploratory boring or the well drilling industry;*

(7) *one member must be from the pollution control agency, appointed by the commissioner of the pollution control agency;*

(8) *one member must be a monitoring well contractor; and*

(9) *six members must be residents of this state appointed by the commissioner, who are actively engaged in the well drilling industry, with not more than two from the seven county metropolitan area and at least four from other areas of the state who represent different geographical regions.*

(b) *An appointee of the well drilling industry may not serve more than two consecutive terms.*

(c) *The appointees to the advisory council from the well drilling industry must:*

(1) *have been residents of this state for at least three years before appointment; and*

(2) *have at least five years' experience in the well drilling business.*

(d) *The terms of the appointed members and the compensation and removal of all members are governed by section 15.059, except section 15.059, subdivision 5, relating to expiration of the advisory council does not apply. [156A.06]*

**Sec. 6. [103I.111] [LOCAL AUTHORITY OVER WELLS AND BORINGS.]**

*Subdivision 1. [DELEGATION OF DUTIES OF COMMISSIONER.] (a) The commissioner of health may enter into an agreement with a board of health to delegate all or part of the inspection, reporting, and enforcement duties authorized under provisions of this chapter pertaining to permitting, construction, repair, and sealing of wells and elevator shafts. [145A.07 s. 1]*

(b) *A board of health may delegate its powers and duties to other boards of health within its jurisdiction. An agreement to delegate powers and duties of a board of health must be approved by the commissioner and is subject to subdivision 3. [145A.07 s. 2]*

*Subd. 2. [DELEGATION AGREEMENTS.] (a) Agreements authorized under this section must be in writing and signed by the delegating authority and the designated agent.*

(b) *The agreement must list criteria the delegating authority will use to determine if the designated agent's performance meets appropriate standards and is sufficient to replace performance by the delegating authority.*

(c) *The agreement may specify minimum staff requirements and qualifications, set procedures for the assessment of costs, and provide for termination procedures if the delegating authority finds that the designated agent fails to comply with the agreement.*

*(d) A designated agent must not perform licensing, inspection, or enforcement duties under the agreement in territory outside its jurisdiction unless approved by the governing body for that territory through a separate agreement.*

*(e) The scope of agreements established under this section is limited to duties and responsibilities agreed upon by the parties. The agreement may provide for automatic renewal and for notice of intent to terminate by either party.*

*(f) During the life of the agreement, the delegating authority shall not perform duties that the designated agent is required to perform under the agreement, except inspections necessary to determine compliance with the agreement and this section or as agreed to by the parties.*

*(g) The delegating authority shall consult with, advise, and assist a designated agent in the performance of its duties under the agreement.*

*(h) This section does not alter the responsibility of the delegating authority for the performance of duties specified in law. [145A.07 s. 3]*

*Subd. 3. [PREEMPTION WITHOUT DELEGATION.] Notwithstanding any other law, a political subdivision may not regulate the permitting, construction, repair, or sealing of wells or elevator shafts unless the commissioner delegates authority under subdivisions 1 and 2.*

*Subd. 4. [LOCAL AUTHORITY OVER EXPLORATORY BORING.] This chapter does not limit the authority of a local unit of government to prohibit mineral exploration within its boundaries, require permits from explorers, or impose reasonable requirements and fees upon explorers, that is consistent with other law. [156A.075]*

*Subd. 5. [LOCAL GOVERNMENT REGULATION OF OPEN WELLS AND RECHARGING BASINS.] (a) The governing body of a county, municipality, statutory or home rule charter city, or town may regulate open wells and recharging basins and may provide penalties for the violations. The use or maintenance of an open well or recharging basin that endangers the safety of a considerable number of persons may be defined as a public nuisance and abated as a public nuisance. [471.92 s. 1]*

*(b) The abatement of the public nuisance may include covering the open well or recharging basin or surrounding the open well or recharging basin with a protective fence. [471.92 s. 2]*

*Subd. 6. [UNSEALED WELLS ARE PUBLIC HEALTH NUISANCES.] A well that is required to be sealed under section 16 but is not sealed is a public health nuisance. A county may abate the unsealed well with the same authority of a board of health to abate a public health nuisance under section 145A.04, subdivision 8.*

*Subd. 7. [LOCAL LICENSE OR REGISTRATION FEES PROHIBITED.] (a) A political subdivision may not require a licensed well contractor to pay a license or registration fee.*

*(b) The commissioner of health must provide a political subdivision with a list of licensed well contractors upon request. [156A.07 s. 9]*

*Subd. 8. [MUNICIPAL REGULATION OF DRILLING.] A municipality may regulate all drilling, except well, elevator shaft, and exploratory drilling that is subject to the provisions of this chapter, above, in, through, and adjacent to subsurface areas designated for mined underground space*

*development and existing mined underground space. The regulations may prohibit, restrict, control, and require permits for the drilling. [469.141 s. 2]*

**Sec. 7. [103I.113] [APPLICABILITY TO MINING ACTIVITIES.]**

*The provisions of this chapter do not apply to mining activities conducted pursuant to a permit to mine under section 93.481 in an area covered by a current mine operating plan unless water is withdrawn from a well or boring for consumption.*

**WELL CONSTRUCTION AND OWNERSHIP**

**Sec. 8. [103I.115] [COMPLIANCE WITH THIS CHAPTER REQUIRED.]**  
*A person may not construct, repair, or seal a well or boring, except as provided under the provisions of this chapter.*

**Sec. 9. [103I.205] [WELL CONSTRUCTION.]**

*Subdivision 1. [PERMIT REQUIRED.] (a) A person may not construct a well until a permit for the well is issued by the commissioner for the construction. If after obtaining a permit an attempt to construct a well is unsuccessful, a new permit is not required as long as the initial permit is modified to indicate the location of the successful well.*

*(b) The property owner where a well is to be located must obtain the permit for the well construction from the commissioner.*

*(c) The permit under this subdivision preempts local permits, and counties or home rule charter or statutory cities may not require a permit for wells.*

*Subd. 2. [EMERGENCY PERMIT EXEMPTIONS.] The commissioner may adopt rules that modify the procedures for applying for a permit for construction if conditions occur that:*

*(1) endanger the public health and welfare or cause a need to protect the groundwater; and*

*(2) require the monitoring well contractor or well contractor to begin constructing a well before obtaining a permit.*

*Subd. 3. [MAINTENANCE PERMIT.] (a) Except as provided under paragraph (b), a well that is not in use and is inoperable must be sealed or be covered under a maintenance permit.*

*(b) If a monitoring well or a dewatering well is in use 14 months after completion of construction, the owner of the property on which the well is located must obtain and annually renew a maintenance permit from the commissioner.*

*Subd. 4. [LICENSE REQUIRED.] (a) Except as provided in paragraph (b), (c), or (d), a person may not drill, construct, or repair a well unless the person has a well contractor's license in possession. [156A.03 s. 2]*

*(b) A person may construct a monitoring well if the person is a professional engineer registered under sections 326.02 to 326.15 in the branches of civil or geological engineering, or hydrologists or hydrogeologists certified by the American Institute of Hydrology, any professional engineer registered with the board of architecture, engineering, land surveying, or landscape architecture, or a geologist certified by the American Institute*

*of Professional Geologists, and registers with the commissioner as a monitoring well contractor on forms provided by the commissioner.*

*(c) A person may do the following work with a limited well contractor's license in possession:*

*(1) modify or repair well casings or well screens;*

*(2) construct drive point wells; or*

*(3) install well pumps or pumping equipment.*

*(d) Notwithstanding other provisions of this chapter requiring a license, a license is not required for a person who complies with the other provisions of this chapter if the person is:*

*(1) an individual who constructs a well on land that is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode; or*

*(2) an individual who performs labor or services for a well contractor in connection with the construction or repair of a well or sealing a well at the direction and at the personal supervision of a well contractor.*

*Subd. 5. [AT-GRADE MONITORING WELLS.] At-grade monitoring wells are authorized and may be installed for the purpose of evaluating groundwater conditions or for use as a leak detection device. The at-grade completion must comply with rules of the commissioner. The at-grade monitoring wells must be installed with an impermeable double locking cap and must be labeled monitoring wells.*

*Subd. 6. [DISTANCE REQUIREMENTS FOR SOURCES OF CONTAMINATION.] A person may not place, construct, or install an actual or potential source of contamination any closer to a well than the isolation distances prescribed by the commissioner by rule unless a variance has been prescribed by rule.*

*Subd. 7. [WELL IDENTIFICATION LABEL REQUIRED.] After a well has been constructed, the person constructing the well must attach a label to the well showing the unique well number, the depth of the well, the name of the person who constructed the well, and the date the well was constructed.*

*Subd. 8. [REPORT OF WORK.] (a) Within 30 days after completion or sealing of a well, the person doing the work must submit a verified report to the commissioner on forms provided by the commissioner.*

*(b) The report must contain:*

*(1) the name and address of the owner of the well and the actual location of the well;*

*(2) a log of the materials and water encountered in connection with drilling the well, and pumping tests relating to the well; and*

*(3) other information the commissioner may require concerning the drilling or sealing of the well.*

*(c) Within 30 days after receiving the report, the commissioner shall send a copy of the report to the commissioner of natural resources, the local soil and water conservation district where the well is located, and to the director of the Minnesota geological survey.*

**Sec. 10. [PERMIT FEES.]**

*The permit fee to be paid by a property owner is:*

*(1) for a new well drilled that produces less than 50 gallons a minute based on the actual capacity of the pump installed, \$150;*

*(2) for a new well that produces 50 gallons a minute or more based on the actual capacity of the pump installed, \$300:*

*(3) for a well that is inoperable or disconnected from a power supply under a maintenance permit, \$50;*

*(4) for construction of a monitoring well, \$50;*

*(5) for monitoring wells owned by a political subdivision there is no fee;*

*(6) annually for a monitoring well that is unsealed under a maintenance permit, \$50;*

*(7) for a groundwater thermal exchange device, \$50;*

*(8) for a vertical heat exchanger, in addition to the permit fee for wells, \$50;*

*(9) for construction of the dewatering well, \$50 for each well except a dewatering project comprising more than ten wells shall be issued a single permit for the wells recorded on the permit for \$500; and*

*(10) annually for a dewatering well that is unsealed under a maintenance permit, \$25.*

**Sec. 11. [103I.211] [DRILLING RECORDS.]**

*(a) A person, firm, or corporation that provides the means of appropriating groundwater by drilling, boring, or another manner must file a verified statement with the director of the division of waters of the department of natural resources containing the log of the materials and water encountered and related water pumping tests.*

*(b) The statements are confidential and can be used only by the division of waters of the department of natural resources for scientific study. The study's result may be public information.*

*(c) The commissioner of natural resources may exclude from the requirement to file statements those whose operations are of a type that would not yield significant scientific information. [105.51 s. 2]*

**Sec. 12. [103I.221] [PLASTIC CASINGS.]**

*Subdivision 1. [PLASTIC CASINGS ALLOWED.] The use of plastic casings in wells is expressly authorized.*

*Subd. 2. [RULES.] The commissioner may adopt rules relating to the installation of plastic well casing.*

**Sec. 13. [103I.231] [COMMISSIONER MAY ORDER REPAIRS.]**

*(a) The commissioner may order the owner of a well to take remedial measures, including making repairs, reconstructing or sealing the well according to the rules of the commissioner. The order may be issued if the commissioner determines, based on inspection of the water or the well site or an analysis of water from the well, that the well:*

*(1) is contaminated;*

*(2) has not been sealed according to the rules of the commissioner;*



(3) is in a state of disrepair so that its continued existence endangers the quality of the groundwater;

(4) is a health or safety hazard; or

(5) is located in a place or constructed in a manner that its continued use or existence endangers the quality of the groundwater.

(b) The order of the commissioner may be enforced in an action to seek compliance brought by the commissioner in the district court of the county where the well is located. [156A.05 s. 4]

**Sec. 14. [1031.235] [SALE OF PROPERTY WHERE WELLS ARE LOCATED.]**

*Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and the location of all known wells on the property, including the legal description, and the town, range, section, quartile, and county, and a map drawn from available information showing the location of the wells to the extent practicable. In the disclosure, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.*

*(b) At the time of closing of the sale, the disclosure information must be provided on a well certificate signed by the seller of the property.*

*(c) A county recorder or registrar of titles may not record a deed, instrument, or writing for which a certificate of value is required under section 272.115, or any deed or contract for deed from a governmental body exempt from the payment of state deed tax, unless the well certificate required by this subdivision is delivered to the county recorder or registrar of titles. The county recorder or registrar of titles shall transmit the well certificate to the commissioner of health within 15 days after receiving the well certificate.*

*(d) The commissioner shall prescribe the form for a well certificate and provide well certificate forms to county recorders and registrars of titles and other interested persons.*

*Subd. 2. [LIABILITY FOR FAILURE TO DISCLOSE.] Unless the buyer and seller agree to the contrary, in writing, prior to the closing of the sale, a seller who fails to disclose the existence of a well at the time of sale and knew of or had reason to know of the existence of a well is liable to the buyer for damages, costs, and reasonable attorney fees, relating to the sealing of a well not in use, and the cleanup of groundwater contamination due to the fact that a well not in use was not properly sealed at the time of sale. The action must be commenced by the buyer within six years after the date the buyer purchased the real property where the well is located.*

**Sec. 15. [1031.241] [ACTION FOR WELL CONTAMINATION.]**

*Subdivision 1. [OWNER'S CAUSE OF ACTION FOR WELL CONTAMINATION.] The owner of real property where a well is located has a cause of action for civil damages against a person whose action or inaction caused contamination of a well. The property owner may commence an action for a period of six years after the owner knows or becomes aware of the contamination of the well.*

*Subd. 2. [COURT AWARDS.] The court may award damages, reasonable*

*attorney fees, and costs and disbursements.*

#### WELL SEALING

Sec. 16. [103I.30I] [WELL AND SEALING REQUIREMENTS.]

*Subdivision 1. [WELLS.] (a) A well owner must have a well sealed if:*

*(1) the well is contaminated;*

*(2) the well was attempted to be sealed but was not sealed according to the provisions of this chapter; or*

*(3) the well is located, constructed, or maintained in a manner that its continued use or existence endangers groundwater quality or is a safety or health hazard.*

*(b) A well that is inoperable must be sealed unless the well owner has a maintenance permit for the well.*

*(c) The well owner must have a well contractor seal a well.*

*Subd. 2. [MONITORING WELLS.] The owner of the property where a monitoring well is located must have the monitoring well sealed when the well is no longer in use. The owner must have a well contractor or a monitoring well contractor seal the monitoring well.*

*Subd. 3. [DEWATERING WELLS.] (a) The owner of the property where a dewatering well is located must have the dewatering well sealed when the dewatering well is no longer in use.*

*(b) A water well contractor shall seal the dewatering well.*

*Subd. 4. [SEALING PROCEDURES.] Wells, monitoring wells, and dewatering wells must be sealed according to rules adopted by the commissioner.*

*Subd. 5. [SEALING OF SIX-INCH OR LARGER WELLS.] The owner of a well with a casing six inches or more in inside diameter may not seal the well, cover or otherwise render the well inaccessible for inspection, or permanently remove the pumps from the well without notifying the commissioner of natural resources and complying with the commissioner's recommendations. The commissioner of natural resources may make recommendations and impose conditions as the commissioner determines to be advisable in the public interest. The commissioner of natural resources, or an authorized agent of the commissioner, must be granted access at reasonable times to inspect the site of a well that has been sealed, or for which notice of sealing has been given under this subdivision. [105.51 s. 3]*

Sec. 17. [103I.31I] [IDENTIFICATION AND SEALING 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 PURCHASED WITHOUT*

WELL IDENTIFICATION.] *The state may not purchase or sell real property or an interest in real property without identifying the location of all wells whether in use, not in use, or sealed on the property and making provisions to have the wells not in use properly sealed at the cost of the seller as part of the contract. The sale may not be recorded with the county recorder or registrar of titles unless this subdivision is complied with.*

Sec. 18. [1031.315] [ORDERS TO SEAL WELLS.]

*Subdivision 1. [ORDER TO SEAL WELL.] The commissioner may order a property owner to seal a well if:*

*(1) the commissioner determines that without being sealed the well is an imminent threat to public health or public safety;*

*(2) the well is required to be sealed under section 16; or*

*(3) a well is a monitoring well or dewatering well and by 14 months after construction of the well, the owner has not obtained a maintenance permit, or after a maintenance permit has been issued the owner has not renewed a maintenance permit.*

*Subd. 2. [FAILURE OF OWNER TO SEAL WELL.] If the property owner fails to seal a well in the time provided in the commissioner's order, the commissioner may enter the property and have the well sealed. The property owner is liable for and must pay the costs of sealing the well.*

Sec. 19. [1031.321] [SEALED WELL CERTIFICATES.]

*Subdivision 1. [COUNTY ISSUANCE.] A county must issue a sealed well certificate prescribed by the commissioner of health for wells that are sealed in accordance with this chapter.*

*Subd. 2. [RULES.] The commissioner may adopt rules prescribing a procedure to determine that wells are properly sealed.*

Sec. 20. [1031.325] [LANDOWNER SEALED WELL LIABILITY.]

*Subdivision 1. [CERTIFICATE FILING REQUIRED.] A landowner must file the sealed well certificate with the county recorder or registrar of titles where the sealed well is located.*

*Subd. 2. [LIABILITY AFTER SEALING.] The owner of a well that has had a sealed well certificate filed with the commissioner of health and the county recorder or registrar of titles where the well is located is not liable for contamination of groundwater from the well that occurs after the well has been sealed, if the owner has not disturbed or disrupted the sealed well.*

Sec. 21. [1031.331] [WELL SEALING COST-SHARE PROGRAM.]

*Subdivision 1. [COUNTY COST-SHARE SEALING PROGRAM.] (a) The board of water and soil resources may allocate funds to counties selected under subdivision 2 to be used for a well sealing program to share the cost of sealing wells according to the priority under subdivision 3.*

*(b) A county may contract for the administration of the well sealing program under this section with another local unit of government.*

*(c) The county must consult with local health boards, soil and water conservation districts, planning and zoning departments, and other appropriate organizations and local government units during program implementation.*

*(d) To encourage landowner participation in the program, the county shall:*

*(1) publish information in newspapers of general circulation, regarding availability of state funds to share the cost of sealing wells; and*

*(2) invite the public to report to the county on the existence of wells that are not sealed.*

*Subd. 2. [CRITERIA FOR SELECTING COUNTIES FOR WELL SEALING.] (a) The board of water and soil resources, in selecting counties for participation, shall consult with the commissioners of natural resources, the pollution control agency, and health, and the director of the Minnesota geological survey, and must consider appropriate criteria including the following:*

*(1) diversity of well construction;*

*(2) diversity of geologic conditions;*

*(3) current use of affected aquifers;*

*(4) diversity of land use; and*

*(5) aquifer susceptibility to contamination by unsealed wells.*

*(b) After July 1, 1991, only well sealings that are a part of, or responsive to, the priority actions identified in an approved comprehensive local water plan are eligible for assistance.*

*Subd. 3. [WELL SEALING PRIORITIES.] The board of water and soil resources, and the commissioner of health after consultation with local water planning authorities, shall establish priorities for sealing wells that are not an imminent threat to public health or public safety based on the following criteria:*

*(1) well construction, depth, and condition;*

*(2) importance of an aquifer as public and private water supply source;*

*(3) proximity to known or potential point or nonpoint contamination sources;*

*(4) current contamination of the well or aquifer;*

*(5) susceptibility of an aquifer to contamination by wells that are not sealed;*

*(6) limited availability of alternative sources of drinking water;*

*(7) anticipated changes in land or water use;*

*(8) unique conditions such as construction, rehabilitation, or demolition areas;*

*(9) potential use of the well as a monitoring well; and*

*(10) the danger to humans and animals of falling into the well.*

*Subd. 4. [LANDOWNER WELL SEALING CONTRACTS.] (a) A county, or contracted local unit of government, may contract with landowners to share the cost of sealing priority wells in accordance with criteria established by the board of water and soil resources.*

*(b) The county must use the funds allocated from the board of water and soil resources to pay up to 75 percent, but not more than \$2,000 of*

*the cost of sealing priority wells.*

*(c) A well sealing contract must provide that:*

*(1) sealing is done in accordance with this chapter and rules of the commissioner of health relating to sealing of unused wells;*

*(2) payment is made to the landowner, after the well is sealed by a contractor licensed under this chapter;*

*(3) a sealed well certificate will be issued to the landowner after sealing of the well is completed; and*

*(4) the landowner must file a copy of the sealed well certificate and a copy of the well record with the commissioner of health.*

*Subd. 5. [REPORTS.] (a) The county shall make an annual report to the board of soil and water resources by February 15 of each year on the status of the well sealing grant program in the county including the number, location, and cost for each well sealed.*

*(b) The board of water and soil resources in cooperation with the commissioner of health shall make annual reports to the legislature on the status of expenditures and well sealings.*

*Subd. 6. [REPEALER.] This section is repealed effective June 30, 1995.*

**Sec. 22. [103I.335] [PERSONS UNABLE TO AFFORD WELL SEALING.]**

*Subdivision 1. [APPLICATION.] A property owner who desires to seal a well but cannot afford the costs of sealing the well may apply to the board of water and soil resources for the board to provide funds and seal the well.*

*Subd. 2. [CRITERIA FOR SEALING.] The board of water and soil resources shall adopt criteria by rule for accepting applications to seal wells for property owners applying under subdivision 1.*

*Subd. 3. [COLLECTION AND ENFORCEMENT OF COSTS.] If the applications are accepted, the costs of sealing become a governmental services lien as provided in section 23. The board of water and soil resources must enter a written agreement to collect the costs of sealing the well in a manner provided under section 23, subdivision 3. If the costs are not paid according to the agreement, the board of water and soil resources may enforce the lien in any manner provided under section 23, subdivisions 2 and 3.*

**Sec. 23. [103I.341] [COLLECTION AND ENFORCEMENT OF WELL SEALING COSTS.]**

*Subdivision 1. [LIEN FOR SEALING COSTS.] The commissioner and the board of water and soil resources have a governmental services lien under section 514.67 for the costs of sealing a well that the commissioner or board has contracted to be sealed under section 18, subdivision 2; 21; or 22. The lien attaches to the real property where the well is located. The lien is perfected by filing a copy of the lien with the county recorder or registrar of deeds where the well and property are located and serving or mailing by return receipt a copy of the lien to the property owner.*

*Subd. 2. [ENFORCEMENT OF LIEN.] The commissioner or the board of water and soil resources may enforce the lien in the manner provided*

*for a judgment lien under chapter 550 or certify the amount to the county auditor, which must be assessed against the property and collected in the same manner as real estate taxes.*

*Subd. 3. [ASSESSMENT OF INSTALLMENTS.] (a) In lieu of certifying the entire amount to be collected, the commissioner or the board of water and soil resources may have the amount due assessed in seven or less equal annual installments plus interest due at the rate determined by the state court administrator for judgments under section 549.09.*

*(b) The interest due is an additional perfected lien on the property without further action by the commissioner or the board of water and soil resources.*

*(c) The interest and the installment due must be entered on the tax lists for the year and collected in the same manner as real estate taxes for that year by collecting one-half of the total of the installment and interest with and as part of the real estate taxes.*

*Subd. 4. [SATISFACTION OF LIEN.] The amount due and interest of a lien under this section may be paid at any time. When the amount of the lien including accrued interest is paid, the commissioner or board must execute a satisfaction of the lien and record the satisfaction with the county recorder or registrar of deeds where the lien was filed.*

*Subd. 5. [APPROPRIATION OF RECOVERED COSTS.] Costs of sealing wells recovered from property owners shall be deposited in the state treasury and credited to the account from which the amounts were originally appropriated. The amounts recovered by the board of water and soil resources are continuously appropriated to the board for sealing wells.*

#### ELEVATOR SHAFT BORINGS

##### Sec. 24. [103I.401] [ELEVATOR SHAFT BORINGS.]

*Subdivision 1. [PERMIT REQUIRED.] (a) A person may not construct an elevator shaft until a permit for the hole or excavation is issued by the commissioner.*

*(b) The elevator shaft permit preempts local permits except local building permits, and counties and home rule charter or statutory cities may not require a permit for elevator shaft holes or excavations.*

*Subd. 2. [LICENSE REQUIRED.] A person may not construct an elevator shaft unless the person possesses a well contractor's license or an elevator shaft contractor's license issued by the commissioner.*

*Subd. 3. [SEALING.] A well contractor or elevator shaft contractor must seal a hole or excavation that is no longer used for an elevator shaft. The sealing must be done according to rules adopted by the commissioner.*

*Subd. 4. [REPORT.] Within 30 days after completion or sealing of a hole or excavation for an elevator shaft, the person doing the work must submit a report to the commissioner on forms provided by the commissioner.*

#### ENVIRONMENTAL BORE HOLES

##### Sec. 25. [103I.451] [ENVIRONMENTAL BORE HOLES.]

*An environmental bore hole must be constructed by a well contractor as prescribed by rule of the commissioner. An environmental bore hole must be sealed.*

## LICENSING AND REGISTRATION

## Sec. 26. [103I.501] [LICENSING AND REGULATION OF WELLS AND BORINGS.]

(a) *The commissioner shall regulate and license:*

- (1) *drilling, constructing, and repair of wells;*
- (2) *sealing of wells;*
- (3) *installing of well pumps and pumping equipment;*
- (4) *excavating, drilling, and sealing of holes for the installation of elevator shafts and hydraulic cylinders; and*
- (5) *construction and sealing of environmental bore holes.* [156A.03 s. 1]

(b) *The commissioner shall examine and license well contractors, limited well contractors, and elevator shaft contractors, and examine and register monitoring well contractors.*

(c) *The commissioner shall license explorers engaged in exploratory boring and shall examine persons who supervise or oversee exploratory boring.* [156A.03 s. 1]

## Sec. 27. [103I.505] [RECIPROCITY OF LICENSES.]

*Subdivision 1. [RECIPROCITY AUTHORIZED.] The commissioner may issue a license or register a person under this chapter, without giving an examination, if the person is licensed or registered in another state and:*

- (1) *the requirements for licensing or registration under which the well contractor was licensed or registered do not conflict with this chapter;*
- (2) *the requirements are of a standard not lower than that specified by the rules adopted under this chapter; and*
- (3) *equal reciprocal privileges are granted to licensees of this state.*

*Subd. 2. [LICENSE FEE REQUIRED.] A well contractor must apply for the license and pay the fees under the provisions of this chapter to receive a license under this section.*

## Sec. 28. [103I.515] [LICENSES NOT TRANSFERABLE.]

*A license or registration issued under this chapter is not transferable.*

## Sec. 29. [103I.521] [FEES DEPOSITED WITH STATE TREASURER.]

*Fees collected for licenses or registration under this chapter shall be deposited in the state treasury.*

## Sec. 30. [103I.525] [WELL CONTRACTOR'S LICENSE.]

*Subdivision 1. [APPLICATION.] (a) A person must file an application and application fee with the commissioner to apply for a well contractor's license.*

(b) *The application must state the applicant's qualifications for the license, the equipment the applicant will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner.*

*Subd. 2. [APPLICATION FEE.] The application fee for a well contractor's license is \$50. The commissioner may not act on an application until the application fee is paid.*

*Subd. 3. [EXAMINATION.] After the commissioner has approved the application, the applicant must take an examination given by the commissioner.*

*Subd. 4. [ISSUANCE OF LICENSE.] If an applicant passes the examination as determined by the commissioner, submits the bond under subdivision 5, and pays the license fee under subdivision 6, the commissioner shall issue a well contractor's license.*

*Subd. 5. [BOND.] (a) As a condition of being issued a well contractor's license, the applicant must submit a corporate surety bond for \$5,000 approved by the commissioner. The bond must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The bond is in lieu of other license bonds required by a political subdivision of the state.*

*(b) From proceeds of the bond, the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties.*

*Subd. 6. [LICENSE FEE.] The fee for a well contractor's license is \$250.*

*Subd. 7. [VALIDITY.] A well contractor's license is valid until the date prescribed in the license by the commissioner.*

*Subd. 8. [RENEWAL.] (a) A licensee must file an application and a renewal application fee to renew the license by the date stated in the license.*

*(b) The renewal application fee shall be set by the commissioner under section 16A.128.*

*(c) The renewal application must include information that the applicant has met continuing education requirements established by the commissioner by rule.*

*Subd. 9. [LATE RENEWAL APPLICATION.] If a licensee submits a renewal application after the required renewal date:*

*(1) the licensee must include an additional late fee set by the commissioner under section 16A.128; and*

*(2) the licensee may not conduct activities authorized by the well contractor's license until the renewal application, renewal application fee, and late fee are submitted.*

#### **Sec. 31. [1031.531] [LIMITED WELL CONTRACTOR'S LICENSE.]**

*Subdivision 1. [APPLICATION.] (a) A person must file an application and an application fee with the commissioner to apply for a limited well contractor's license.*

*(b) The application must state the applicant's qualifications for the license, the equipment the applicant will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner.*

*Subd. 2. [APPLICATION FEE.] The application fee for a well contractor's license is \$50. The commissioner may not act on an application until the application fee is paid.*



*Subd. 3. [EXAMINATION.] After the commissioner has approved the application, the applicant must take an examination given by the commissioner.*

*Subd. 4. [ISSUANCE OF LICENSE.] If an applicant passes the examination as determined by the commissioner, submits the bond under subdivision 5, and pays the license fee under subdivision 6, the commissioner shall issue a limited well contractor's license.*

*Subd. 5. [BOND.] (a) As a condition of being issued a limited well contractor's license, the applicant must submit a corporate surety bond for \$5,000 approved by the commissioner. The bond must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The bond is in lieu of other license bonds required by a political subdivision of the state.*

*(b) From proceeds of the bond, the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties.*

*Subd. 6. [LICENSE FEE.] The fee for a limited well contractor's license is \$250.*

*Subd. 7. [VALIDITY.] A limited well contractor's license is valid until the date prescribed in the license by the commissioner.*

*Subd. 8. [RENEWAL.] (a) A person must file an application and a renewal application fee to renew the limited well contractor's license by the date stated in the license.*

*(b) The renewal application fee shall be set by the commissioner under section 16A.128.*

*(c) The renewal application must include information that the applicant has met continuing education requirements established by the commissioner by rule.*

*Subd. 9. [LATE RENEWAL APPLICATION.] If a licensee submits a renewal application after the required renewal date:*

*(1) the licensee must include an additional late fee set by the commissioner under section 16A.128; and*

*(2) the licensee may not conduct activities authorized by the limited well contractor's license until the renewal application, renewal application fee, and late fee are submitted.*

### **Sec. 32. [1031.535] [ELEVATOR SHAFT CONTRACTOR'S LICENSE.]**

*Subdivision 1. [APPLICATION.] (a) An individual must file an application and application fee with the commissioner to apply for an elevator shaft contractor's license.*

*(b) The application must state the applicant's qualifications for the license, the equipment the applicant will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner.*

*Subd. 2. [APPLICATION FEE.] The application fee for an elevator shaft contractor's license is \$50. The commissioner may not act on an application until the application fee is paid.*

*Subd. 3. [EXAMINATION.] After the commissioner has approved the application, the applicant must take an examination given by the commissioner.*

*Subd. 4. [ISSUANCE OF LICENSE.] If an applicant passes the examination as determined by the commissioner, submits the bond under subdivision 5, and pays the license fee under subdivision 6, the commissioner shall issue an elevator shaft contractor's license to the applicant.*

*Subd. 5. [BOND.] (a) As a condition of being issued an elevator shaft contractor's license, the applicant must submit a corporate surety bond for \$5,000 approved by the commissioner. The bond must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state.*

*(b) From proceeds of the bond, the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties.*

*Subd. 6. [LICENSE FEE.] The fee for an elevator shaft contractor's license is \$250.*

*Subd. 7. [VALIDITY.] An elevator shaft contractor's license is valid until the date prescribed in the license by the commissioner.*

*Subd. 8. [RENEWAL.] (a) A person must file an application and a renewal application fee to renew the license by the date stated in the license.*

*(b) The renewal application fee shall be set by the commissioner under section 16A.128.*

*(c) The renewal application must include information that the applicant has met continuing education requirements established by the commissioner by rule.*

*Subd. 9. [LATE RENEWAL APPLICATION.] If a licensee submits a renewal application after the required renewal date:*

*(1) the licensee must include an additional late fee set by the commissioner under section 16A.128; and*

*(2) the licensee may not conduct activities authorized by the elevator shaft contractor's license until the renewal application, renewal application fee, and late fee are submitted.*

### **Sec. 33. [103I.541] [MONITORING WELL CONTRACTORS.]**

*Subdivision 1. [INITIAL REGISTRATION AFTER DECEMBER 31, 1990.] After December 31, 1990, a person seeking initial registration as a monitoring well contractor must meet examination and experience requirements adopted by the commissioner by rule.*

*Subd. 2. [VALIDITY.] A monitoring well contractor's registration is valid until the date prescribed in the registration by the commissioner.*

*Subd. 3. [BOND.] (a) As a condition of being issued a monitoring well contractor's registration, the applicant must submit a corporate surety bond for \$5,000 approved by the commissioner. The bond must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The bond is in lieu of other license bonds required by a political subdivision of the state.*

*(b) From proceeds of the bond, the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties.*

*Subd. 4. [RENEWAL.] (a) A person must file an application and a*

*renewal application fee to renew the registration by the date stated in the registration.*

*(b) The renewal application fee shall be set by the commissioner under section 16A.128.*

*(c) The renewal application must include information that the applicant has met continuing education requirements established by the commissioner by rule.*

*Subd. 5. [LATE RENEWAL APPLICATION.] If a registered person submits a renewal application after the required renewal date:*

*(1) the registered person must include an additional late fee set by the commissioner under section 16A.128; and*

*(2) the registered person may not conduct activities authorized by the monitoring well contractor's registration until the renewal application, renewal application fee, and late fee are submitted.*

**Sec. 34. [103I.545] [REGISTRATION OF DRILLING MACHINES REQUIRED.]**

*Subdivision 1. [DRILLING MACHINE.] (a) A person may not use a drilling machine such as a cable tool, rotary tool, hollow rod tool, or auger for a drilling activity requiring a license or registration under this chapter unless the drilling machine is registered with the commissioner.*

*(b) A person must apply for the registration on forms prescribed by the commissioner and submit a \$100 registration fee.*

*(c) A registration is valid for one year.*

*Subd. 2. [PUMP HOIST.] (a) A person may not use a machine such as a pump hoist for an activity requiring a license or registration under this chapter to repair wells, seal wells, or install pumps unless the machine is registered with the commissioner.*

*(b) A person must apply for the registration on forms prescribed by the commissioner and submit a \$50 registration fee.*

*(c) A registration is valid for one year.*

#### **EXPLORATORY BORINGS**

**Sec. 35. [103I.601] [EXPLORATORY BORING PROCEDURES.]**

*Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the following words have the meanings given them.*

*(b) "Data" includes samples and factual non-interpreted data obtained from exploratory borings and samples including analytical results.*

*(c) "Parcel" means a government section, fractional section, or government lot.*

*(d) "Samples" means at least a one-quarter portion of all samples from exploratory borings that are customarily collected by the explorer. [156A.071 s. 1]*

*Subd. 2. [LICENSE REQUIRED TO MAKE BORINGS.] (a) Except as provided in paragraph (b), a person may not make an exploratory boring without an exploratory borer's license.*

*(b) An explorer may designate a responsible individual to supervise and*

*oversee the making of exploratory borings. Before an individual supervises or oversees an exploratory boring, the individual must take and pass an examination relating to construction, location, and sealing of exploratory borings. A professional engineer registered under sections 326.02 to 326.15 or a certified professional geologist is not required to take the examination required in this subdivision but must be licensed to make an exploratory boring. [156A.071 s. 2]*

*Subd. 3. [NOTIFICATION OF PROJECT CONSTRUCTION.] (a) By 30 days before making an exploratory boring, an explorer must register with the commissioner of natural resources and provide a copy of the registration to the commissioner of health. The registration must include:*

*(1) the identity of the firm, association, or company engaged in exploratory boring; and*

*(2) the identification of an agent, including the agent's business address.*

*(b) The commissioner of natural resources may require a bond, security, or other assurance from an explorer if the commissioner of natural resources has reasonable doubts about the explorer's financial ability to comply with requirements of law relating to exploratory boring.*

*(c) An explorer shall annually register with the commissioner of natural resources while conducting exploratory boring. [156A.071 s. 3]*

*Subd. 4. [MAP OF BORINGS.] By ten days before beginning exploratory boring, an explorer must submit to the commissioners of health and natural resources a county road map having a scale of one-half inch equal to one mile, as prepared by the department of transportation, showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. [156A.071 s. 4]*

*Subd. 5. [ACCESS TO DRILL SITES.] The commissioners of health, natural resources, and the pollution control agency, the community health board as authorized under section 145A.04, and their officers and employees shall have access to exploratory boring sites to inspect the drill holes, drilling, and sealing of the borings, and to sample ambient air and drilling waters, and to measure the radioactivity of the waste drill cuttings at the drilling site at the time of observation. [156A.071 s. 5]*

*Subd. 6. [EMERGENCY NOTIFICATION.] The explorer must promptly notify the commissioners of health, natural resources, and the pollution control agency, and the authorized agent of the commissioner of health of an occurrence during exploratory boring that has a potential for significant adverse health or environmental effects. The explorer must take reasonable action to minimize the adverse effects. [156A.071 s. 6]*

*Subd. 7. [INSPECTION OF DATA BEFORE SUBMISSION.] The commissioner of health may, if necessary, inspect data before its submission under section 36. The data examined by the commissioner is not public data before it is submitted under section 36. [156A.071 s. 6]*

*Subd. 8. [PERMANENT AND TEMPORARY SEALING PROCEDURES.] Permanent and temporary sealing of exploratory borings must be temporarily or permanently sealed according to rules adopted by the commissioner. [156A.071 s. 7]*

*Subd. 9. [SEALING REPORT.] (a) By 30 days after permanent or temporary sealing of an exploratory boring, the explorer must submit a report*

to the commissioners of health and natural resources.

(b) *The report must be on forms provided by the commissioner of health and include:*

(1) *the location of each drill hole at as large a scale as possible, which is normally prepared as part of the explorer's record;*

(2) *the type and thickness of overburden and rock encountered;*

(3) *identification of water bearing formations encountered;*

(4) *identification of hydrologic conditions encountered;*

(5) *method of sealing used;*

(6) *methods of construction and drilling used; and*

(7) *average scintillometer reading of waste drill cuttings before back-filling of the recirculation pits. [156A.071 s. 8]*

**Sec. 36. [103I.605] [SUBMISSION OF DATA FROM EXPLORATORY BORINGS.]**

*Subdivision 1. [REQUIREMENT.] Data obtained from exploratory borings must be submitted by the explorer to the commissioner of natural resources as provided in this section. [156A.071 s. 9]*

*Subd. 2. [MINERAL DEPOSIT EVALUATION DATA.] (a) In applying for a permit required for activities relating to mineral deposit evaluation, which means examining an area to determine the quality and quantity of minerals, excluding exploratory boring but including obtaining a bulk sample, by excavating, trenching, constructing shafts, ramps, tunnels, pits, and producing refuse and other associated activities, but does not include activities intended, by themselves, for commercial exploitation of the ore body, the explorer must submit to the commissioner of natural resources data relevant to the proposal under consideration. The explorer may identify portions of the data that, if released, would impair the competitive position of the explorer submitting the data. Data identified must be considered to be not public data.*

*(b) If requested to disclose the data, the commissioner shall mail notice of the request to the explorer and determine whether release of the data would impair the competitive position of the explorer submitting the data. If the commissioner determines that release of the data would impair the competitive position of the explorer submitting the data, the commissioner may not release the data to a person other than parties to the proceedings relating to the permit under consideration. Parties to the proceedings shall maintain the confidentiality of data.*

*(c) Data that are classified as not public may not be released by the commissioner until 30 days after mailed notice to the explorer of the commissioner's intention to release the data. The commissioner may not release data to a person engaged in exploration, mining, milling, or related industry pertaining to minerals. If the commissioner determines to release data, the explorer may demand a contested case hearing on the commissioner's determination or may withdraw the permit application and the data may not be released.*

*(d) Any person aggrieved by the decision of the commissioner may appeal the decision according to chapter 14. [156A.071 s. 9]*

*Subd. 3. [MINE DEVELOPMENT DATA.] In applying for a permit required for mine development, which means activities undertaken after mineral deposit evaluation for commercial exploitation of the ore body, the explorer must submit to the commissioner of natural resources data relevant to the proposal under consideration. The data is public data and persons submitting or releasing the data are not subject to civil or criminal liability for its use by others. [156A.071 s. 9]*

*Subd. 4. [EXPLORATION DATA.] By six months after termination by the explorer of a lease or other type of exploration agreement on a property the data from the exploration must be submitted to the commissioner of natural resources. The data is public data and persons submitting or releasing the data are not subject to civil or criminal liability for its use by others. [156A.071 s. 9]*

*Subd. 5. [DESIGNATION OF SAMPLES TO BE SUBMITTED.] The commissioner of natural resources shall designate the samples to be submitted, and specify where the sample is to be delivered. If an explorer requires certain samples in their entirety, the commissioner of natural resources may waive the requirement for a one-fourth portion of the samples. Samples submitted are property of the state. [156A.071 s. 9]*

#### GROUNDWATER THERMAL EXCHANGE DEVICES

#### Sec. 37. [1031.621] [PERMITS FOR GROUNDWATER THERMAL EXCHANGE DEVICES.]

*Subdivision 1. [PERMIT.] (a) Notwithstanding any department or agency rule to the contrary, the commissioner shall issue, on request by the owner of the property and payment of the permit fee, permits for the reinjection of water by a properly constructed well into the same aquifer from which the water was drawn for the operation of a groundwater thermal exchange device.*

*(b) As a condition of the permit, an applicant must agree to allow inspection by the commissioner during regular working hours for department inspectors.*

*(c) Not more than 200 permits may be issued for small systems having maximum capacities of 20 gallons per minute or less. The small systems are subject to inspection twice a year.*

*(d) Not more than ten permits may be issued for larger systems having maximum capacities from 20 to 50 gallons per minute. The larger systems are subject to inspection four times a year.*

*(e) A person issued a permit must comply with this section for the permit to be valid.*

*Subd. 2. [WATER USE REQUIREMENTS APPLY.] Water use permit requirements and penalties under chapter 103F and related rules adopted and enforced by the commissioner of natural resources apply to groundwater thermal exchange permit recipients. A person who violates a provision of this section is subject to enforcement or penalties for the noncomplying activity that are available to the commissioner and the pollution control agency.*

*Subd. 3. [CONSTRUCTION REQUIREMENTS.] (a) Withdrawal and reinjection for the groundwater thermal exchange device must be accomplished by a closed system in which the waters drawn for thermal exchange*

*do not have contact or commingle with water from other sources or with polluting material or substances. The closed system must be constructed to allow an opening for inspection by the commissioner.*

*(b) Wells that are part of a groundwater thermal exchange system may not serve another function, except water may be supplied to the domestic water system if:*

*(1) the supply is taken from the thermal exchange system ahead of the heat exchange unit; and*

*(2) the water discharges to a break tank through an air gap that is at least twice the effective diameter of the water inlet to the tank.*

*(c) A groundwater thermal exchange system may be used for domestic water heating only if the water heating device is an integral part of the heat exchange unit that is used for space heating and cooling.*

*Subd. 4. [RULES.] The commissioner may adopt rules to administer this section.*

### VERTICAL HEAT EXCHANGERS

#### Sec. 38. [103I.641] [VERTICAL HEAT EXCHANGERS.]

*Subdivision 1. [REQUIREMENTS.] A person may not drill or construct an excavation used to install a vertical heat exchanger unless the person is a well contractor.*

*Subd. 2. [REGULATIONS FOR VERTICAL HEAT EXCHANGERS.] Vertical heat exchangers must be constructed, maintained, and sealed under the provisions of this chapter.*

*Subd. 3. [PERMIT REQUIRED.] (a) A vertical heat exchanger may not be installed without first obtaining a permit for the vertical heat exchanger from the commissioner. A well contractor must apply for the permit on forms provided by the commissioner and must pay the permit fee.*

*(b) As a condition of the permit, the owner of the property where the vertical heat exchanger is to be installed must agree to allow inspection by the commissioner during regular working hours of department of health inspectors.*

### UNDERGROUND SPACE DEVELOPMENT

#### Sec. 39. [103I.661] [MINED UNDERGROUND SPACE DEVELOPMENT.]

*Subdivision 1. [COMMISSIONER OF NATURAL RESOURCES REVIEW.] The commissioners of natural resources and health shall review all project plans that involve dewatering of underground formations for construction and operation of mined underground space to determine the effects of the proposal on the quality and quantity of underground waters in and adjacent to the areas where the mined underground space is to be developed. [469.141 s. 1]*

*Subd. 2. [PERMIT FOR WATER REMOVAL.] A mined underground space project involving or affecting the quality and quantity of groundwater may not be developed until a water use permit for the appropriation of waters under chapter 103G has been issued by the commissioner of natural resources. [469.141 s. 4]*

## UNDERGROUND STORAGE OF GAS OR LIQUID

## Sec. 40. [103I.681] [PERMIT FOR UNDERGROUND STORAGE OF GAS OR LIQUID.]

*Subdivision 1. [PERMIT REQUIRED.] (a) The state, a person, partnership, association, private or public corporation, county, municipality, or other political subdivision of the state may not displace groundwater in consolidated or unconsolidated formations by the underground storage of a gas or liquid under pressure without an underground storage permit from the commissioners of natural resources and health. [84.57]*

*(b) The state, a person, a public corporation, county, municipality, or other political subdivision of the state may not store a gas or liquid, except water, below the natural surface of the ground by using naturally occurring rock materials as a storage reservoir without an underground storage permit from the commissioners of health and natural resources. [84.621 s. 1]*

*Subd. 2. [APPLICATION.] (a) A person may apply for an underground storage permit by filing an application form with the commissioner of natural resources accompanied by the application fee and maps, plans, and specifications describing the proposed displacement of groundwater and the underground storage of gases or liquids and other data required by the commissioner.*

*(b) The commissioner of natural resources shall prescribe the application form to apply for an underground storage permit. [84.58 s. 1]*

*(c) The commissioner of natural resources may require an applicant to demonstrate to the commissioner that the applicant has adequately provided a method to ensure payment of any damages resulting from the operation of a gas or liquid storage reservoir. [84.61]*

*Subd. 3. [HEARING REQUIRED.] (a) An underground storage permit allowing displacement of groundwater may not be issued by the commissioner of natural resources or health without holding a public hearing on the issuance of the permit. [84.58 s. 2]*

*(b) By 20 days after receiving a complete application, the commissioner of natural resources shall set a time and location for the hearing. [84.58 s. 3]*

*Subd. 4. [NOTICE OF HEARING.] The hearing notice must:*

*(1) state the date, place, and time of the hearing;*

*(2) show the location of groundwater and surface water and property affected by the proposed underground storage;*

*(3) be published by the applicant, or by the commissioner of natural resources if the proceeding is initiated by the commissioner of natural resources or health, once each week for two successive weeks in a legal newspaper that is published in the county where a part or all of the affected groundwater or surface waters are located; and*

*(4) be mailed by the commissioner of natural resources to the county auditor and the chief executive official of an affected municipality. [84.58 s. 4]*

*Subd. 5. [PROCEDURE AT HEARING.] (a) The hearing must be public and conducted by the commissioner of natural resources or a referee appointed*



by the commissioner.

(b) *Affected persons must have an opportunity to be heard. Testimony must be taken under oath and the parties must have the right of cross-examination. The commissioner of natural resources shall provide a stenographer, at the expense of the applicant, to take testimony and a record of the testimony, and all proceedings at the hearing shall be taken and preserved.*

(c) *The commissioner of natural resources is not bound by judicial rules of evidence or of pleading and procedure. [84.58 s. 5]*

*Subd. 6. [SUBPOENAS.] The commissioner of natural resources or health may subpoena and compel the attendance of witnesses and the production of books and documents material to the purposes of the hearing. Disobedience of a subpoena, or refusal to be sworn, or refusal to answer as a witness, is punishable as contempt in the same manner as a contempt of the district court. The commissioner of natural resources must file a complaint of the disobedience with the district court of the county where the disobedience or refusal occurred. [84.58 s. 6]*

*Subd. 7. [REQUIRED FINDINGS.] An order granting a permit for the proposed storage may not be issued unless it contains and is based on a finding stating:*

*(1) the proposed storage will be confined to geological stratum or strata lying more than 500 feet below the surface of the soil;*

*(2) the proposed storage will not substantially impair or pollute groundwater or surface water; and*

*(3) the public convenience and necessity of a substantial portion of the gas-consuming public in the state will be served by the proposed project. [84.60]*

*Subd. 8. [ORDER CONDITIONS.] The order granting the permit must contain conditions and restrictions that will reasonably protect:*

*(1) private property or an interest not appropriated;*

*(2) the rights of the property owners and owners of an interest in property located within the boundaries of the proposed storage area, or persons claiming under the owners, to explore for, drill for, produce or develop for the recovery of oil or gas or minerals under the property, and to drill wells on the property to develop and produce water; provided that the exploration, drilling, producing, or developing complies with orders and rules of the commissioner of natural resources that protect underground storage strata or formations against pollution and against the escape of gas; and*

*(3) public resources of the state that may be adversely affected by the proposed project. [84.60]*

*Subd. 9. [PUBLICATION OF FINDINGS, CONCLUSIONS, ORDERS.] (a) The commissioner of natural resources shall mail notice of any findings, conclusions, and orders made after the hearing to:*

*(1) the applicant;*

*(2) parties who entered an appearance at the hearing;*

*(3) the county auditor; and*

*(4) the chief executive officer of an affected municipality.*

*(b) The commissioner of natural resources must publish notice of findings, conclusions, and orders made after the hearing at least once each week for two successive weeks in a legal newspaper in the county where a part or all of the proposed project is located. The costs of the publication must be paid by the applicant. [84.58 s. 7]*

*Subd. 10. [APPEAL OF COMMISSIONER'S DETERMINATION.] An interested party may appeal the determination of the commissioner of natural resources or health to the court of appeals in accordance with the provisions of chapter 14. [84.59]*

*Subd. 11. [PERMIT FEE SCHEDULE.] (a) The commissioner of natural resources or health shall adopt a permit fee schedule under chapter 14. The schedule may provide minimum fees for various classes of permits, and additional fees, which may be imposed subsequent to the application, based on the cost of receiving, processing, analyzing, and issuing the permit, and the actual inspecting and monitoring of the activities authorized by the permit, including costs of consulting services.*

*(b) A fee may not be imposed on a state or federal governmental agency applying for a permit.*

*(c) The fee schedule may provide for the refund of a fee, in whole or in part, under circumstances prescribed by the commissioner of natural resources. Permit fees received must be deposited in the state treasury and credited to the general fund. The amount of money necessary to pay the refunds is appropriated annually from the general fund to the commissioner of natural resources. [84.59 s. 8]*

#### Sec. 41. [1031.685] [ABANDONMENT OF UNDERGROUND STORAGE PROJECT.]

*An underground storage project for which an underground storage permit is granted may not be abandoned, or a natural or artificial opening extending from the underground storage area to the ground surface be filled, sealed, or otherwise closed to inspection, except after written approval by the commissioner of natural resources or health and in compliance with conditions that the commissioners may impose. [84.611]*

#### Sec. 42. [1031.691] [CERTIFICATE OF USE.]

*A person may not use a gas or liquid storage reservoir under an underground storage permit unless the right to use the property affected by the project has been acquired and a notice of the acquisition filed with the commissioner of natural resources or health. The commissioner of natural resources or health must issue a certificate approving use of the gas or liquid storage reservoir. [84.62]*

### ENFORCEMENT

#### Sec. 43. [1031.701] [ADMINISTRATIVE REMEDIES.]

*Subdivision 1. [DENIAL OF LICENSE OR REGISTRATION RENEWAL.] (a) The commissioner may deny an application for renewal of a license or registration if the applicant has violated a provision of this chapter.*

*(b) Failure to submit a well report, well sealing report, or to report an excavation to construct an elevator shaft, or to obtain a well permit before construction is a violation of this chapter and the commissioner may refuse renewal.*

*Subd. 2. [SUSPENSION, REVOCATION OF LICENSE OR REGISTRATION.] (a) A license or registration issued under this chapter may be suspended or revoked for violation of provisions of this chapter.*

*(b) The commissioner may, after providing a person with reasonable notice and a hearing, suspend or revoke the license or registration of the person upon finding that the person has violated a provision of this chapter that applies to the person's license or registration.*

*Subd. 3. [PROCEDURE.] Proceedings by the commissioner under this section and review shall be according to chapter 14.*

*Subd. 4. [CORRECTIVE ORDERS.] The commissioner may issue corrective orders for persons to comply with the provisions of this chapter.*

**Sec. 44. [103I.705] [ADMINISTRATIVE PENALTIES.]**

*Subdivision 1. [PENALTY AUTHORIZED.] The commissioner may impose an administrative penalty under this section against a person who does not comply with an order of the commissioner.*

*Subd. 2. [SEALING WELLS AND ELEVATOR SHAFTS.] A well contractor or limited well contractor who seals a well, a monitoring well contractor who seals a monitoring well, or a well contractor or an elevator shaft contractor who seals a hole that was used for an elevator shaft under a corrective order of the commissioner in a manner that does not comply with the water well construction code, shall be assessed an administrative penalty of \$500.*

*Subd. 3. [CONTAMINATION RELATING TO WELL CONSTRUCTION.] A well contractor, limited well contractor, or monitoring well contractor working under a corrective order of the commissioner who fails to comply with the rules in the water well construction code relating to location of wells in relation to potential sources of contamination, grouting, materials, or construction techniques shall be assessed an administrative penalty of \$500.*

*Subd. 4. [WELL CONSTRUCTION AND MACHINERY.] A well contractor, limited well contractor, or monitoring well contractor working under a corrective order shall be assessed an administrative penalty of \$250 if the contractor fails as required in the order:*

*(1) to have a plan review approved before a well is constructed; construct a well without if a plan review is required;*

*(2) to have a permit before a well is constructed;*

*(3) to register a drilling rig or pump rig or to display the state decal and the registration number on the machine; or*

*(4) to comply with the rules in the water well construction code relating to disinfection of wells and submission of well construction or well sealing logs and water samples.*

*Subd. 5. [FALSE INFORMATION.] A person under a corrective order shall be assessed an administration penalty of \$250 if the person:*

*(1) fails to disclose or falsifies information about the status and location of wells on property before signing an agreement of sale or transfer of the property; or*

*(2) fails to disclose or falsifies information on a well certificate.*

*Subd. 6. [FAILURE TO SEAL WELL OR HAVE CONSTRUCTION PERMIT.] A person under a corrective order shall be assessed an administrative penalty of \$250 if the person:*

*(1) employs a well contractor on the person's property and fails to obtain a permit for construction of the well; or*

*(2) fails to have a well sealed in accordance with the rules.*

**Sec. 45. [103I.711] [IMPOUNDING OF EQUIPMENT.]**

*Subdivision 1. [IMPOUNDMENT.] If the commissioner issues an order finding that a person is constructing, repairing, or sealing wells or installing pumps or pumping equipment or excavating holes for installing elevator shafts or hydraulic cylinders without a license or registration as required under this chapter, a sheriff on receipt of the order must seize and impound equipment of the person.*

*Subd. 2. [RELEASE.] The equipment must remain in the custody of the sheriff until the equipment is released under the order of a court or until the commissioner orders the sheriff to release the equipment.*

**Sec. 46. [103I.715] [CRIMINAL PENALTIES.]**

*Subdivision 1. [MISDEMEANORS.] A person who violates a provision of this chapter is guilty of a misdemeanor.*

*Subd. 2. [GROSS MISDEMEANORS.] A person is guilty of a gross misdemeanor who:*

*(1) willfully violates a provision of this chapter or order of the commissioner;*

*(2) engages in the business of drilling or making wells, sealing wells, installing pumps or pumping equipment, or constructing elevator shafts without a license required by this chapter; or*

*(3) engages in the business of exploratory boring without an exploratory borer's license under this chapter. [156A.08 s. 1]*

*Subd. 3. [PROSECUTION AND VENUE.] A violation of this chapter shall be prosecuted by the county attorney in the county where the violation occurred or is occurring. The trial shall be held in that county. [156A.08 s. 1]*

**Sec. 47. [REPEALER.]**

*Minnesota Statutes 1988, sections 84.57; 84.58; 84.59; 84.60; 84.61; 84.611; 84.62; 84.621; 105.51, subdivision 3; 156A.01; 156A.02; 156A.03; 156A.031; 156A.04; 156A.05; 156A.06; 156A.07; 156A.071; 156A.075; 156A.08; 156A.10; and 156A.11 are repealed.*

**Sec. 48. [EFFECTIVE DATE.]**

*Section 14, subdivision 1, relating to disclosing wells to buyers and transferees is effective July 1, 1990.*

**ARTICLE 4**

**SAFE DRINKING WATER SUPPLY FUNDING**

Section 1. Minnesota Statutes 1988, section 144.381, is amended to read:

144.381 [CITATION.]

Sections 144.381 to 144.387 may be cited as the "safe drinking water act of 1977."

Sec. 2. Minnesota Statutes 1988, section 144.382, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections 144.381 to ~~144.387~~ section 4, the following terms have the meanings given.

Sec. 3. Minnesota Statutes 1988, section 144.382, is amended by adding a subdivision to read:

*Subd. 4a. [SERVICE CONNECTION.] "Service connection" means the pipe leading from the distribution main to the plumbing system of a building.*

Sec. 4. [144.3835] [SAFE DRINKING WATER ACCOUNT.]

*Subdivision 1. [ESTABLISHMENT.] The safe drinking water account is established as a special revenue account in the state treasury.*

*Subd. 2. [APPROPRIATION AND USE.] Money in the safe drinking water account is continuously appropriated to the commissioner. The money must be used to support the safe drinking water program, including administration, inspections, training, laboratory analyses, and enforcement. The money does not cancel, but is available until expended.*

*Subd. 3. [SAFE DRINKING WATER FEE.] (a) A safe drinking water fee is imposed on each supplier in the state at a rate of 1.7 cents per 1,000 gallons of water discharged through the public water supply. The supplier shall collect the fee in a manner determined by the supplier from the owners of service connections.*

*(b) At the end of each calendar quarter, the supplier shall pay the fee imposed on the supplier to the commissioner.*

*(c) Money collected from the safe drinking water fee must be deposited in the state treasury and credited to the safe drinking water account.*

## ARTICLE 5

### WATER CONSERVATION

Section 1. Minnesota Statutes 1988, section 105.41, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S PERMISSION.] *(a) It is unlawful for the state, any person, partnership, or association, private or public corporation, county, municipality, or other political subdivision of the state to appropriate or use any waters of the state, surface or underground, without the written permit of the commissioner. This section does not apply to the use of water for domestic purposes serving less than 25 persons. The commissioner shall set up a statewide training program to provide training in the conduct of pumping tests and data acquisition programs.*

*(b) A permit may not be issued under this section unless the permit is consistent with state, regional, and local water and related land resources management plans.*

*(c) The commissioner may not modify or restrict the amount of appropriation from a groundwater source authorized in a permit issued for agricultural irrigation under section 105.44, subdivision 8, between May 1 and October 1 of any year, unless the commissioner determines the authorized amount of appropriation endangers a domestic water supply.*

Sec. 2. Minnesota Statutes 1988, section 105.41, subdivision 1a, is amended to read:

Subd. 1a. [~~WATER ALLOCATION RULES, PRIORITIES.~~] (a) The commissioner shall ~~submit to the legislature by January 1, 1975, for its approval, proposed adopt rules governing the~~ for allocation of waters ~~among potential water users. These rules must be based on the following priorities for the~~ *consumptive* appropriation and use of water:

(1) *first priority: domestic water supply, excluding industrial and commercial uses of municipal water supply, and use for power production that meets the contingency planning provisions of section 105.417, subdivision 5;*

(2) *second priority: any a use of water that involves consumption of less than 10,000 gallons of water a per day. In this section "consumption" means water withdrawn from a supply that is lost for immediate further use in the area.;*

(3) *third priority: agricultural irrigation and processing of agricultural products, involving consumption in excess of 10,000 gallons a per day, and processing of agricultural products.;*

(4) *fourth priority: power production, involving consumption in excess of 10,000 gallons a day. in excess of the use provided for in the contingency plan developed under section 105.417, subdivision 5; and*

(5) *fifth priority: other uses, other than agricultural irrigation, processing of agricultural products, and power production, involving consumption in excess of 10,000 gallons a per day and nonessential uses of public water supplies as defined in section 105.518, subdivision 1.*

(b) *For the purposes of this section, "consumption" shall mean water withdrawn from a supply which is lost for immediate further use in the area.*

(c) *Appropriation and use of surface water from streams during periods of flood flows and high water levels must be encouraged subject to consideration of the purposes for use, quantities to be used, and the number of persons appropriating water.*

(d) *Appropriation and use of surface water from lakes of less than 500 acres in surface area must be discouraged.*

(e) *The treatment and reuse of water from nonconsumptive uses shall be encouraged.*

(f) *Diversions of water from the state for use in other states or regions of the United States or Canada must be discouraged.*

~~No permit may be issued under this section unless it is consistent with state, regional, and local water and related land resources management plans; if regional and local plans are consistent with statewide plans. The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a permit issued under section 105.44, subdivision 8, between May 1 and October 1 of any year, unless the commissioner determines the authorized amount of appropriation endangers any domestic water supply.~~

Sec. 3. Minnesota Statutes 1988, section 105.41, subdivision 1b, is amended to read:

Subd. 1b. [~~USE LESS THAN MINIMUM.~~] ~~No~~ *Except for local permits under section 473.877, subdivision 1, a permit is not required for the*

appropriation and use of less than a minimum amount to be established by the commissioner by rule. Permits for more than the minimum amount but less than an intermediate amount to be specified by the commissioner by rule must be processed and approved at the municipal, county, or regional level based on rules to be established by the commissioner by January 1, 1977. The rules must include provisions for reporting to the commissioner the amounts of water appropriated under local permits.

Sec. 4. Minnesota Statutes 1988, section 105.41, is amended by adding a subdivision to read:

*Subd. 1c. [CERTAIN COOLING SYSTEM PERMITS PROHIBITED.] (a) The commissioner may not issue a water use permit from a groundwater source for a once-through cooling system constructed after the effective date of this act.*

*(b) For purposes of this subdivision, a once-through cooling system means a cooling or heating system for human comfort that draws a continuous stream of water from a groundwater source to remove or add heat for cooling, heating, or refrigeration.*

Sec. 5. Minnesota Statutes 1988, section 105.41, subdivision 5, is amended to read:

*Subd. 5. [RECORDS REQUIRED.] Records of the amount of water appropriated or used must be kept for each installation. The readings and the total amount of water appropriated must be reported annually to the commissioner of natural resources on or before February 15 of the following year upon forms to be supplied by the commissioner.*

The records must be submitted with an annual water appropriation processing fee in the amount established in accordance with the following schedule of fees for each water appropriation permit in force at any time during the year: (1) irrigation permits, \$15 for the first permitted 160 acres or part of 160 acres, and \$25 for each additional permitted 160 acres or part of 160 acres; (2) for nonirrigation permits, \$5 for each ten million gallons or portion of that amount permitted each year. However, the fee must not exceed a total of \$500 per permit.

*Subd. 5a. [WATER USE PROCESSING FEE.] (a) Except as provided in paragraph (b), a water use processing fee not to exceed \$1,000 must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:*

*(1) 0.05 cent per 1,000 gallons for the first 50 million gallons per year; and*

*(2) 0.1 cents per 1,000 gallons for the amounts greater than 50 million gallons per year.*

*(b) For once-through cooling systems as defined in subdivision 1c, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:*

*(1) 0.05 cent per 1,000 gallons for the first 50 million gallons per year;*

*(2) 0.1 cents per 1,000 gallons for the amounts greater than 50 million gallons but less than 100 million gallons per year;*

*(3) 0.15 cents per 1,000 gallons for the amounts of 100 million gallons*

*per year or more but less than 150 million gallons per year;*

*(4) 0.20 cents per 1,000 gallons for the amounts of 150 million gallons per year or more but less than 200 million gallons per year;*

*(5) 0.25 cents per 1,000 gallons for the amounts of 200 million gallons per year or more but less than 250 million gallons per year;*

*(6) 0.30 cents per 1,000 gallons for the amounts of 250 million gallons per year or more but less than 300 million gallons per year;*

*(7) 0.35 cents per 1,000 gallons for the amounts of 300 million gallons per year or more but less than 350 million gallons per year;*

*(8) 0.40 cents per 1,000 gallons for the amounts of 350 million gallons per year or more but less than 400 million gallons per year; and*

*(9) 0.45 cents per 1,000 gallons for the amounts of 400 million gallons per year or more.*

*(c) The fee is payable ~~regardless of~~ based on the amount of water ~~appropriated~~ permitted during the year.*

*(d) Failure to pay the fee is sufficient cause for revoking a permit. ~~No fee may be imposed on any state agency, as defined in section 16B.01, or federal governmental agency holding a water appropriation permit.~~*

*(e) A fee may not be imposed for nonconsumptive uses by a state agency defined under section 16B.01 or a federal agency with a water use permit.*

Sec. 6. Minnesota Statutes 1988, section 105.418, is amended to read:  
105.418 [CONSERVATION OF PUBLIC WATER SUPPLIES.]

*Subdivision 1. [WATER SHORTAGE EMERGENCY RULES.] (a) During periods of critical water deficiency as determined by the governor and declared by executive order of the governor, public water supply authorities appropriating water shall adopt and enforce restrictions consistent with rules adopted by the commissioner of natural resources within their areas of jurisdiction. The restrictions must limit lawn sprinkling, car washing, golf course and park irrigation, and other nonessential uses and have appropriate penalties for failure to comply with the restrictions.*

*(b) The commissioner may adopt ~~emergency rules according to sections 14.29 to 14.36~~ relating to matters covered by this section ~~during the year 1977.~~*

*(c) Disregard of critical water deficiency orders, even though total appropriation remains less than that permitted, is ~~adequate~~ grounds for immediate modification of ~~any~~ a public water supply authority's ~~appropriator's~~ water use permit.*

Sec. 7. Minnesota Statutes 1988, section 473.877, subdivision 1, is amended to read:

*Subdivision 1. [AUTHORITY.] Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water in a watershed delineated pursuant to subdivision 2, as required by sections 473.875 to 473.883, may provide, in addition to other provisions authorized by section 471.59, for a joint board having:*

*(a) the authority to prepare, adopt, and implement a plan for the watershed meeting the requirements of section 473.878;*



(b) the authority to review and approve local water management plans as provided in section 473.879;

(c) the authority of a watershed district under chapter 112 to regulate the use and development of land in the watershed when one or more of the following conditions exists: (1) the local government unit exercising planning and zoning authority over the land under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 473.879 or has not adopted the implementation program described in the plan; (2) an application to the local government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program of the local unit; (3) the local government unit has authorized the organization to require permits for the use and development of land;

(d) the authority of a watershed district under section 112.65 to accept the transfer of drainage systems in the watershed, to repair, improve, and maintain the transferred drainage systems, and to construct all new drainage systems and improvements of existing drainage systems in the watershed, provided that projects may be carried out under the powers granted in chapter 112 or 473 and sections 106A.005 to 106A.811 and that proceedings of the board with respect to the systems must be in conformance with the watershed plan adopted under section 473.878; ~~and~~

*(e) the authority to require water appropriation permits for nonessential uses, as prescribed in section 105.418, which are below the minimum amount established under section 105.41, subdivision 1b, from protected watercourses that have a drainage area less than 25 square miles; and*

(f) other powers necessary to exercise the authority under clauses (a) to (c), including the power to enter into contracts for the performance of functions with governmental units or persons.

#### Sec. 8. [CONSUMPTIVE WATER USE STUDY.]

*The commissioner of natural resources shall conduct a study of consumptive water use and its impact on existing aquifers. The commissioner shall review methods of reducing consumptive water use, including the conversion of once-through cooling systems to alternative systems. The commissioner shall report to the legislative commission on water by February 15, 1990, the commissioner's recommendations for alternatives to the once-through cooling systems, including the environmental and economic implications of the alternatives. The recommendations must also include options for converting once-through cooling systems, a time schedule for phasing out existing systems, and recommended technologies to be used to accomplish the conversion.*

### ARTICLE 6

#### PESTICIDE AMENDMENTS

Section 1. Minnesota Statutes 1988, section 18B.01, subdivision 5, is amended to read:

Subd. 5. [COMMERCIAL APPLICATOR.] "Commercial applicator" means a person who has *or is required to have* a commercial applicator license.

Sec. 2. Minnesota Statutes 1988, section 18B.01, is amended by adding

a subdivision to read:

*Subd. 4a. [COLLECTION SITE.] "Collection site" means a permanent or temporary designated location with scheduled hours for authorized collection where pesticide end users may bring their waste pesticides.*

Sec. 3. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 6a. [CONTAINER.] "Container" means a portable device in which a material is stored, transported, treated, disposed of, or otherwise handled.*

Sec. 4. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 6b. [CORRECTIVE ACTION.] "Corrective action" means an action taken to minimize, eliminate, or clean up an incident.*

Sec. 5. Minnesota Statutes 1988, section 18B.01, subdivision 12, is amended to read:

*Subd. 12. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, ~~portable container rupture,~~ leak, spill, discharge, escape, disposal, or other event that releases or immediately threatens to release a pesticide accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. "Incident" does not include the lawful use or intentional release of a pesticide in accordance with its approved label or labeling, or a discharge or other release authorized by law or in an amount less than a reportable quantity under United States Code, title 42, section 9603.*

Sec. 6. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 14a. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, another special purpose district, and local or regional board.*

Sec. 7. Minnesota Statutes 1988, section 18B.01, subdivision 15, is amended to read:

*Subd. 15. [NONCOMMERCIAL APPLICATOR.] "Noncommercial applicator" means a person ~~with~~ who has or is required to have a noncommercial applicator license.*

Sec. 8. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 15a. [OWNER OF REAL PROPERTY.] "Owner of real property" means a person who is in possession of, has the right of control, or controls the use of real property, including a person who has legal title to property and a person who has the right to use or contract use of the property under a lease, contract for deed, or license.*

Sec. 9. Minnesota Statutes 1988, section 18B.01, subdivision 19, is amended to read:

*Subd. 19. [PESTICIDE DEALER.] "Pesticide dealer" means a person ~~with~~ who has or is required to have a pesticide dealer license.*

Sec. 10. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 19a. [PESTICIDE END USER.] "Pesticide end user" means a farmer or other person who uses, intends to use, or owns a pesticide. Pesticide end user does not include a dealer, manufacturer, formulator, or packager.*

Sec. 11. Minnesota Statutes 1988, section 18B.01, subdivision 21, is amended to read:

*Subd. 21. [PRIVATE APPLICATOR.] "Private applicator" means a person certified or required to be certified to use or supervise use of restricted use pesticides.*

Sec. 12. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 24a. [RETAIL PESTICIDE HANDLER.] "Retail pesticide handler" means a person, other than a pesticide dealer, who sells a commercial pesticide in a packaged container produced or guaranteed by another person.*

Sec. 13. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 24b. [RETURNABLE CONTAINER.] "Returnable container" means a container for distributing pesticides that enables the unused pesticide product to be returned to the distributor, manufacturer, or packager, and includes bulk, mini-bulk, or dedicated containers designed to protect the integrity of the pesticide and prevent contamination through the introduction of unauthorized materials.*

Sec. 14. Minnesota Statutes 1988, section 18B.01, subdivision 26, is amended to read:

*Subd. 26. [SAFEGUARD.] "Safeguard" means a facility, equipment, device, or system, or a combination of these, designed to prevent the escape or movement of a pesticide from the place it is stored or kept under conditions that might otherwise result in contamination of the environment an incident as required by rule.*

Sec. 15. Minnesota Statutes 1988, section 18B.01, subdivision 30, is amended to read:

*Subd. 30. [STRUCTURAL PEST CONTROL APPLICATOR.] "Structural pest control applicator" means a person with who has or is required to have a structural pest control applicator license.*

Sec. 16. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

*Subd. 31a. [WASTE PESTICIDE.] "Waste pesticide" means a pesticide that the pesticide end user considers a waste. A waste pesticide can be a canceled pesticide, an unusable pesticide, or a usable pesticide.*

Sec. 17. Minnesota Statutes 1988, section 18B.03, is amended by adding a subdivision to read:

*Subd. 4. [EMPLOYEES.] The commissioner may employ necessary agents and assistants to administer and enforce this chapter, none of whom, except those who are employed on a full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the*

*commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.*

Sec. 18. Minnesota Statutes 1988, section 18B.04, is amended to read:  
18B.04 [PESTICIDE IMPACT ON ~~WATER QUALITY ENVIRONMENT.~~]

The commissioner shall:

(1) determine the impact of pesticides on *the environment, including the impacts on surface water and ~~ground water~~ groundwater* in this state;

(2) develop best management practices involving pesticide distribution, storage, handling, use, and disposal; and

(3) cooperate with and assist other state agencies and local governments to protect public health and the environment from harmful exposure to pesticides.

Sec. 19. [18B.065] [WASTE PESTICIDE COLLECTION PROGRAM.]

*Subdivision 1. [COLLECTION AND DISPOSAL.] The commissioner of agriculture shall establish and operate a program to collect waste pesticides. The program shall be made available to pesticide end users whose waste generating activity occurs in this state.*

*Subd. 2. [IMPLEMENTATION.] (a) The commissioner may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected.*

*(b) The commissioner may limit the type and quantity of waste pesticides accepted for collection and may assess pesticide end users for portions of the costs incurred.*

*Subd. 3. [INFORMATION AND EDUCATION.] The commissioner shall provide informational and educational materials regarding waste pesticides and the proper management of waste pesticides to the public.*

*Subd. 4. [CONSULTATION WITH POLLUTION CONTROL AGENCY.] The commissioner shall develop the program in this section in consultation and cooperation with the pollution control agency.*

*Subd. 5. [WASTE PESTICIDE COLLECTION ACCOUNT.] A waste pesticide account is established in the state treasury. Assessments collected under subdivision 2 shall be deposited in the state treasury and credited to the waste pesticide account. Money in the account is appropriated to the commissioner to pay for costs incurred to implement the waste pesticide collection program.*

*Subd. 6. [RULES.] The commissioner may adopt rules to administer this section.*

*Subd. 7. [COOPERATIVE AGREEMENTS.] The commissioner may enter into cooperative agreements with state agencies and local units of government for administration of the waste pesticide collection program.*

Sec. 20. Minnesota Statutes 1988, section 18B.07, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED PESTICIDE USE.] (a) A person may not use, store, handle, *distribute*, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) *that is inconsistent with a label or labeling as defined by the Federal*

*Insecticide, Fungicide and Rodenticide Act, as amended, including section 2(ee) of that act;*

(2) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife; ~~or beneficial insects; or~~

(3) that will cause unreasonable adverse effects on the environment.

(b) A person may not direct a pesticide ~~on~~ onto property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.

(c) A person may not directly apply a pesticide on a human by overspray or target site spray.

(d) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.

Sec. 21. Minnesota Statutes 1988, section 18B.07, subdivision 3, is amended to read:

Subd. 3. [POSTING.] (a) If the pesticide labels prescribe specific hourly or daily intervals for human reentry following application, the person applying the pesticide must post ~~fields~~ sites, buildings, or areas where the pesticide has been applied. The posting must be done with placards in accordance with label requirements and rules adopted under this section.

(b) ~~Fields~~ Sites being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment. *The posting must be done in accordance with labeling and rules adopted under this chapter.*

Sec. 22. Minnesota Statutes 1988, section 18B.07, subdivision 4, is amended to read:

Subd. 4. [PESTICIDE SAFEGUARDS AT APPLICATION SITES.] A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent ~~the escape or movement of the pesticides from the site~~ an incident.

Sec. 23. Minnesota Statutes 1988, section 18B.07, subdivision 6, is amended to read:

Subd. 6. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] (a) A person may not fill pesticide application equipment directly from public *or other* waters of the state, as defined in section 105.37, subdivision 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

Sec. 24. Minnesota Statutes 1988, section 18B.08, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not apply pesticides through an irrigation system without a chemigation permit from the commissioner. ~~Only one~~ A chemigation permit is required for ~~two~~ one or more wells *or other sources of irrigation water* that are protected from

contamination by ~~the same~~ devices *as required by rule*. The commissioner may allow irrigation to be used to apply pesticides on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

Sec. 25. Minnesota Statutes 1988, section 18B.08, subdivision 3, is amended to read:

Subd. 3. [EQUIPMENT.] A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of pesticides or pesticide-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump *or water source* discharge and the point of pesticide injection; and

(2) the point of pesticide injection and the pesticide supply.

Sec. 26. Minnesota Statutes 1988, section 18B.08, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50 ~~for each well that is to be used in applying the pesticides by irrigation~~. *A person who holds a fertilizer chemigation permit under article 7, section 11, is exempt from the fee in this subdivision.*

Sec. 27. [18B.115] [USE OF CHLORDANE PROHIBITED.]

*The state, a state agency, a political subdivision of the state, a person, or other legal entity may not sell, use, or apply the pesticide chlordane or its derivative heptachlor within the state.*

Sec. 28. [18B.135] [SALE OF PESTICIDES IN RETURNABLE CONTAINERS AND MANAGEMENT OF UNUSED PORTIONS.]

Subdivision 1. [ACCEPTANCE OF RETURNABLE CONTAINERS.] *(a) A person distributing, offering for sale, or selling a pesticide must accept empty pesticide containers and the unused portion of pesticide that remains in the original container from a pesticide end user if:*

*(1) the pesticide was purchased after the effective date of this section; and*

*(2) a place is not designated in the county for the public to return empty pesticide containers and the unused portion of pesticide.*

*(b) This subdivision does not prohibit the use of refillable and reusable pesticide containers.*

*(c) The legislative commission on water must prepare a report and make a recommendation to the legislature on the handling of waste pesticide containers and waste pesticides.*

Subd. 2. [RULES.] *The commissioner may adopt rules to implement this section, including procedures and standards prescribing the exemption of certain pesticide products and pesticide containers.*

## PESTICIDE RELEASE INCIDENTS

Sec. 29. Minnesota Statutes 1988, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) *An unregistered pesticide that was previously registered with the commissioner may be used only with the written permission of the commissioner.*

(d) *Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.*

Sec. 30. Minnesota Statutes 1988, section 18B.26, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) ~~An application for initial registration and renewal must be accompanied by a nonrefundable application fee of \$125 for each pesticide to be registered. A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-fifth of one percent of annual gross sales within the state, with a minimum fee of \$200.~~

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) ~~An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before initial state registration. A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed at the time of payment of the registration application fee. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.~~

Sec. 31. Minnesota Statutes 1988, section 18B.26, subdivision 5, is amended to read:

Subd. 5. [APPLICATION REVIEW AND REGISTRATION.] (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use *and distribution* restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval, denial, cancellation, or state use or distribution restrictions ~~within 30 days after the application and fee are received.~~

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified ~~by the commissioner.~~

Sec. 32. Minnesota Statutes 1988, section 18B.26, is amended by adding a subdivision to read:

*Subd. 6. [DISCONTINUANCE OF REGISTRATION.] To ensure complete withdrawal from distribution or further use of a pesticide, a person who intends to discontinue a pesticide registration must:*

*(1) terminate a further distribution within the state and continue to register the pesticide annually for two successive years;*

*(2) initiate and complete a total recall of the pesticide from all distribution in the state within 60 days from the date of notification to the commissioner of intent to discontinue registration; or*

*(3) submit to the commissioner evidence adequate to document that no distribution of the registered pesticide has occurred in the state.*

Sec. 33. [18B.035] [PESTICIDE EDUCATION AND TRAINING.]

*Subdivision 1. [EDUCATION AND TRAINING.] (a) The commissioner shall develop, in conjunction with the University of Minnesota extension service, innovative educational and training programs addressing pesticide concerns including:*

*(1) water quality protection;*

*(2) endangered species;*

*(3) pesticide residues in food and water;*

*(4) worker protection;*

*(5) chronic toxicity;*

*(6) integrated pest management; and*

*(7) pesticide disposal.*

*(b) The commissioner shall appoint educational planning committees which must include representatives of industry.*

*(c) Specific current regulatory concerns must be discussed and, if appropriate, incorporated into each training session.*

*(d) The commissioner may approve programs from private industry and nonprofit organizations that meet minimum requirements for education, training, and certification.*

*Subd. 2. [TRAINING MANUAL AND EXAMINATION DEVELOPMENT.] The commissioner, in conjunction with the University of Minnesota extension service, shall continually revise and update pesticide applicator training manuals and examinations. The manuals and examinations must be written to meet or exceed the minimum standards required by the United States Environmental Protection Agency and pertinent state specific information. Questions in the examinations must be determined by the responsible agencies. Manuals and examinations must include pesticide management practices that discuss prevention of pesticide occurrence in groundwaters*



of the state.

*Subd. 3. [PESTICIDE APPLICATOR EDUCATION AND EXAMINATION REVIEW BOARD.] (a) The commissioner shall establish and chair a pesticide applicator education and examination review board. This board must meet at least once a year before the initiation of pesticide educational planning programs. The purpose of the board is to discuss topics of current concern that can be incorporated into pesticide applicator training sessions and appropriate examinations. This board shall review and evaluate the various educational programs recently conducted and recommend options to increase overall effectiveness.*

*(b) Membership on this board must represent industry, private, nonprofit organizations, and other governmental agencies, including the University of Minnesota, the pollution control agency, department of health, department of natural resources, and department of transportation.*

*(c) Membership on the board must include representatives from environmental protection organizations.*

Sec. 34. Minnesota Statutes 1988, section 18B.31, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A pesticide dealer license:

(1) expires on December 31 of each year unless it is suspended or revoked before that date; ~~and~~

(2) is not transferable to another person or location; and

(3) must be prominently displayed to the public in the pesticide dealer's place of business.

Sec. 35. Minnesota Statutes 1988, section 18B.31, subdivision 5, is amended to read:

Subd. 5. [APPLICATION FEE.] (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of \$50.

(b) If an application for renewal of a pesticide dealer license is not filed before January 1 of the year for which the license is to be issued, an additional fee of \$20 must be paid by the applicant before the license is issued.

*(c) An application for a duplicate pesticide dealer's license must be accompanied by a nonrefundable application fee of \$10.*

Sec. 36. Minnesota Statutes 1988, section 18B.32, subdivision 2, is amended to read:

Subd. 2. [LICENSES.] (a) A structural pest control license:

(1) expires on December 31 of the year for which the license is issued; ~~and~~

(2) is not transferable; and

(3) must be prominently displayed to the public in the structural pest controller's place of business.

(b) The commissioner shall establish categories of master, journeyman, and fumigator for a person to be licensed under a structural pest control license.

Sec. 37. Minnesota Statutes 1988, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories except a *licensed* structural pest control applicator.

(b) A person with a commercial applicator license may not apply pesticides on or into surface waters without an aquatic category endorsement on a commercial applicator license.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Sec. 38. Minnesota Statutes 1988, section 18B.33, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A commercial applicator license:

(1) expires on December 31 of the year for which it is issued, unless suspended or revoked before that date; ~~and~~

(2) is not transferable to another person; *and*

(3) *must be prominently displayed to the public in the commercial applicator's place of business.*

Sec. 39. Minnesota Statutes 1988, section 18B.33, subdivision 7, is amended to read:

Subd. 7. [APPLICATION FEES.] (a) A person initially applying for or renewing a commercial applicator license ~~as a business entity must pay a nonrefundable application fee of \$50; except a person who is an employee of a business entity that has a commercial applicator license and is applying for or renewing a commercial applicator license as an individual the non-refundable application fee is \$25.~~

(b) If a renewal application is not filed before March 1 of the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the commercial applicator license may be issued.

(c) *An application for a duplicate commercial applicator license must be accompanied by a nonrefundable application fee of \$10.*

Sec. 40. Minnesota Statutes 1988, section 18B.34, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except for a *licensed* commercial applicator, *certified* private applicator, or *licensed* structural pest control applicator, a person, including a government employee, may not use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) A ~~person with a licensed~~ noncommercial applicator ~~license~~ may not apply pesticides into or on surface waters without an aquatic category endorsement on the license.

(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification

card must contain information required by the commissioner.

Sec. 41. Minnesota Statutes 1988, section 18B.34, subdivision 2, is amended to read:

Subd. 2. [LICENSE.] A noncommercial applicator license:

(1) expires on December 31 of the year for which it is issued unless suspended or revoked before that date; ~~and~~

(2) is not transferable; *and*

(3) *must be prominently displayed to the public in the noncommercial applicator's place of business.*

Sec. 42. Minnesota Statutes 1988, section 18B.34, subdivision 5, is amended to read:

Subd. 5. [FEES.] (a) A person initially applying for or renewing a noncommercial applicator license as a ~~business entity~~ must pay a nonrefundable application fee of \$50. ~~A person who is an employee of a business entity that has a noncommercial applicator license and is applying for or renewing a noncommercial applicator license as an individual must pay a nonrefundable application fee of \$25,~~ except an applicant who is a government employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

(b) If an application for renewal of a noncommercial license is not filed before March 1 in the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the renewal license may be issued.

(c) *An application for a duplicate noncommercial applicator license must be accompanied by a nonrefundable application fee of \$10.*

Sec. 43. Minnesota Statutes 1988, section 18B.36, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except for a *licensed* commercial or noncommercial applicator, only a ~~person~~ certified as a private applicator may use ~~or supervise the use of~~ a restricted use pesticide to produce an agricultural commodity:

(1) as a traditional exchange of services without financial compensation; or

(2) on a site owned, rented, or managed by the person or the person's employees.

(b) A private applicator may not purchase a restricted use pesticide without presenting a *certified* private applicator card or the card number.

Sec. 44. Minnesota Statutes 1988, section 18B.36, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training *that meets or exceeds United States Environmental Protection Agency standards* to certify ~~persons~~ as private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies *and must be a minimum of three hours in duration.*

(b) A person must apply to the commissioner for certification as a private

applicator. After completing the certification requirements, *which must include an examination as determined by the commissioner*, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of ~~five~~ *three* years from the applicant's nearest birthday.

(c) The commissioner shall issue a private applicator card to a private applicator.

Sec. 45. Minnesota Statutes 1988, section 18B.37, subdivision 1, is amended to read:

Subdivision 1. [PESTICIDE DEALER.] (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept *at the time of sale* on forms supplied by the commissioner or on the pesticide dealer's forms if they are approved by the commissioner.

(b) Records must be submitted annually with the renewal application for a pesticide dealer license or upon request of the commissioner.

(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.

Sec. 46. Minnesota Statutes 1988, section 18B.37, subdivision 2, is amended to read:

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.] (a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. The record must include the:

- (1) date of the pesticide use;
- (2) time the pesticide application was completed;
- (3) *brand name of the pesticide, the United States Environmental Protection Agency registration number, and dosage used;*
- (4) number of units treated;
- (5) temperature, wind speed, and wind direction;
- (6) location of the site where the pesticide was applied;
- (7) name and address of the customer;
- (8) *name and signature of applicator, name of company, license number of applicator, and address;* ~~and signature of applicator company;~~ and
- (9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a single *page* document for each pesticide application, *except a map may be attached to identify treated areas. For the rights-of-way and wood preservative categories, the required record may not exceed five pages. Invoices* An invoice containing the required information may constitute the required record. *The commissioner shall make sample forms available to meet the requirements of this paragraph.*

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Sec. 47. Minnesota Statutes 1988, section 18B.37, subdivision 3, is amended to read:

Subd. 3. [STRUCTURAL PEST CONTROL APPLICATORS.] (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

- (1) date of structural pest control application;
- (2) target pest;
- (3) brand name of the pesticide, *United States Environmental Protection Agency registration number, and amount used;*
- (4) for fumigation, the temperature and exposure time;
- (5) *time the pesticide application was completed;*
- ~~(5)~~ (6) name and address of the customer;
- ~~(6)~~ (7) *name and signature of structural pest control applicator's company applicator; name of company and address of applicator or company, applicator's signature, and license number of applicator; and*
- ~~(7)~~ (8) any other information required by the commissioner.

(b) ~~Invoices~~ *All information for this record requirement must be contained in a single-page document for each pesticide application. An invoice containing the required information may constitute the record.*

(c) Records must be retained for five years after the date of treatment.

(d) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site. *The commissioner must make sample forms available that meet the requirements of this subdivision.*

Sec. 48. Minnesota Statutes 1988, section 18B.37, subdivision 4, is amended to read:

Subd. 4. [STORAGE, HANDLING, AND DISPOSAL PLAN.] A commercial, noncommercial, or structural pest control applicator or the licensed business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

Sec. 49. [PESTICIDE CONTAINER COLLECTION AND RECYCLING PILOT PROJECT.]

*Subdivision 1. [PROJECT.] The department of agriculture, in consultation and cooperation with the commissioner of the pollution control*

agency, shall design and implement a pilot collection project, to be completed by June 30, 1991, to:

- (1) collect, recycle, and dispose of empty, triple-rinsed pesticide containers;
- (2) develop, demonstrate, and promote proper pesticide container management; and
- (3) evaluate the current pesticide container management methods and the cause and extent of the problems associated with pesticide containers.

*Subd. 2. [COLLECTION AND DISPOSAL.] The department of agriculture shall provide for the establishment and operation of temporary collection sites for pesticide containers. The department may limit the type and quantity of pesticide containers acceptable for collection.*

*Subd. 3. [INFORMATION AND EDUCATION.] The department shall develop informational and educational materials to promote proper methods of pesticide container management.*

*Subd. 4. [REPORT.] During the pilot project, the department of agriculture shall conduct surveys and collect information on proper and improper pesticide container storage and disposal. By November 30, 1991, the department shall report to the legislature its conclusions from the project and recommendations for additional legislation or rules governing the management of pesticide containers.*

*Subd. 5. [MANAGEMENT AND DISPOSAL.] The department of agriculture or other entity collecting pesticide containers must manage and dispose of the containers in compliance with applicable federal and state requirements.*

**Sec. 50. [REPEALER.]**

*Minnesota Statutes 1988, sections 18A.49; 18B.15; 18B.16; 18B.18; 18B.19; 18B.20; 18B.21; 18B.22; 18B.23; and 18B.25, are repealed.*

**Sec. 51. [EFFECTIVE DATE.]**

*Section 28, subdivisions 1 and 2, relating to the sale and distribution of pesticides in returnable containers is effective July 1, 1994.*

**ARTICLE 7**

**CHAPTER 18C**

**FERTILIZERS, SOIL AMENDMENTS, AND PLANT AMENDMENTS**

**Section 1. [18C.001] [CITATION.]**

*This chapter may be cited as the "fertilizer, soil amendment, and plant amendment law." [17.711]*

**Sec. 2. [18C.005] [DEFINITIONS.]**

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter. [17.713 s. 1]*

*Subd. 2. [BEST MANAGEMENT PRACTICES.] "Best management practices" means practices, techniques, and measures developed under article 1, section 6, subdivision 2.*

*Subd. 3. [BRAND.] "Brand" means a term, design, or trademark used in connection with one or several grades of fertilizers or soil and plant amendment materials. [17.713 s. 2]*

*Subd. 4. [CHEMIGATION.] "Chemigation" means a process of applying fertilizers to land or crops including agricultural, nursery, turf, golf course, or greenhouse sites in or with irrigation water during the irrigation process.*

*Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture. [17.713 s. 4a]*

*Subd. 6. [COMPOST.] "Compost" is a material derived primarily or entirely from biological decomposition of vegetative organic matter or animal manure that does not have inorganic fertilizer added other than to promote decomposition.*

*Subd. 7. [CUSTOM APPLY.] "Custom apply" means to apply a fertilizer, soil amendment, or plant amendment product for compensation.*

*Subd. 8. [DEFICIENCY.] "Deficiency" means that amount of nutrient found by analysis is less than the amount guaranteed resulting from a lack of nutrient ingredients or from lack of uniformity.*

*Subd. 9. [DISTRIBUTOR.] "Distributor" means a person who imports, consigns, manufactures, produces, compounds, mixes, or blends fertilizer, or who offers for sale, sells, barter, or otherwise supplies fertilizer or soil and plant amendments in this state. [17.713 s. 5]*

*Subd. 10. [ENVIRONMENT.] "Environment" means surface water, groundwater, air, land, plants, humans, and animals and their interrelationships.*

*Subd. 11. [FERTILIZER.] "Fertilizer" means a substance containing one or more recognized plant nutrients that is used for its plant nutrient content and designed for use or claimed to have value in promoting plant growth. Fertilizer does not include unmanipulated animal and vegetable manures, marl, lime, limestone, and other products exempted by rule by the commissioner.*

*Subd. 12. [FIXED LOCATION.] "Fixed location" means all stationary fertilizer facility operations, owned or operated by a person, located in the same plant location or locality. [17.713 s. 6a]*

*Subd. 13. [GRADE.] "Grade" means the percentage of total nitrogen (N), available phosphorus (P) or phosphoric acid (P<sub>2</sub>O<sub>5</sub>), and soluble potassium (K) or soluble potash (K<sub>2</sub>O) stated in whole numbers in the same terms, order, and percentages as in the guaranteed analysis except the grade of bone meals, manures, and similar raw materials may be stated in fractional units, and specialty fertilizers may be stated in fractional units of less than one percent of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash. [17.713 s. 7]*

*Subd. 14. [GUARANTOR.] "Guarantor" means the person who is guaranteeing the material to be as stated in the guaranteed analysis. [17.713 s. 9]*

*Subd. 15. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, portable container rupture, leak, spill, emission, discharge, escape, disposal, or other event that releases or immediately threatens to release a fertilizer, soil amendment, or plant amendment accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. Incident does not include a release resulting from the normal use of a product or practice in accordance with law.*

*Subd. 16. [INVESTIGATIONAL ALLOWANCE.] "Investigational allowance" means an allowance for variations inherent in the taking, preparation, and analysis of an official sample of fertilizer.*

*Subd. 17. [LABEL.] "Label" means the display of all written, printed or graphic matter upon the immediate container or the statement accompanying a fertilizer, soil amendment, or plant amendment. [17.713 s. 9a]*

*Subd. 18. [LABELING.] "Labeling" means all written, printed or graphic matter on or accompanying a fertilizer, soil amendment, or plant amendment or advertisements, brochures, posters, television, radio or other announcements used in promoting the sale of fertilizers, soil amendments, or plant amendments. [17.713 s. 9b]*

*Subd. 19. [MANIPULATED.] "Manipulated" means fertilizers that are manufactured, blended, mixed, or animal or vegetable manures that have been treated in any manner, including mechanical drying, grinding, pelleting, and other means, or by adding other chemicals or substances.*

*Subd. 20. [MOBILE MECHANICAL UNIT.] "Mobile mechanical unit" means a portable machine or apparatus used to blend, mix, or manufacture fertilizers. [17.713 s. 11]*

*Subd. 21. [OFFICIAL SAMPLE.] "Official sample" means a sample of fertilizer, soil amendment, or plant amendment taken by the commissioner according to methods prescribed by this chapter. [17.713 s. 12]*

*Subd. 22. [ORGANIC.] "Organic" in reference to fertilizer nutrients refers only to naturally occurring substances generally recognized as the hydrogen compounds of carbon and their derivatives or synthetic products of similar composition with a water insoluble nitrogen content of at least 60 percent of the guaranteed total nitrogen. [17.713 s. 13]*

*Subd. 23. [PERCENT; PERCENTAGE.] "Percent" or "percentage" means the percentage by weight. [17.713 s. 14]*

*Subd. 24. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, joint stock company, or unincorporated organization, the state, a state agency, or a political subdivision. [17.713 s. 15]*

*Subd. 25. [PLANT AMENDMENT.] "Plant amendment" means a substance applied to plants or seeds that is intended to improve germination, growth, yield, product quality, reproduction, flavor, or other desirable characteristics of plants except fertilizers, soil amendments, agricultural liming materials, pesticides, and other materials that are exempted by rule. [17.713 s. 15a]*

*Subd. 26. [PLANT FOOD.] "Plant food" means a plant nutrient generally recognized as beneficial for plant growth, including nitrogen, phosphorus, potassium, calcium, magnesium, sulfur, boron, chlorine, cobalt, copper, iron, manganese, molybdenum, sodium, and zinc. [17.713 s. 15b]*

*Subd. 27. [REGISTRANT.] "Registrant" means the person who registers fertilizer, soil amendment, or plant amendment under this chapter. [17.713 s. 16]*

*Subd. 28. [RETAIL FERTILIZER HANDLER.] "Retail fertilizer handler" means a person who sells a fertilizer in a packaged container produced or guaranteed by another person.*



*Subd. 29. [RINSATE.] "Rinsate" means a dilute mixture of a fertilizer or fertilizer with water, solvents, oils, commercial rinsing agents, or other substances.*

*Subd. 30. [SAFEGUARD.] "Safeguard" means a facility, equipment, device, or system, individually or in combination, designed to prevent an incident as required by rule.*

*Subd. 31. [SELL.] "Sell," in reference to the sale of fertilizer, soil amendment, or plant amendment, includes:*

- (1) the act of selling, transferring ownership;*
- (2) the offering and exposing for sale, exchange, distribution, giving away, and transportation in, and into, this state;*
- (3) the possession with intent to sell, exchange, distribute, give away or transport in, and into, this state;*
- (4) the storing, carrying, and handling in aid of trafficking fertilizers, plant amendments, or soil amendments, whether done in person or through an agent, employee or others; and*
- (5) receiving, accepting, and holding of consignment for sale. [17.713 s. 17]*

*Subd. 32. [SEWAGE SLUDGE.] "Sewage sludge" means the solids and associated liquids in municipal wastewater that are encountered and concentrated by a municipal wastewater treatment plant. Sewage sludge does not include incinerator residues and grit, scum, or screenings removed from other solids during treatment. [17.713 s. 17a]*

*Subd. 33. [SITE.] "Site" includes land and water areas, air space, and plants, animals, structures, buildings, contrivances, and machinery, whether fixed or mobile, including anything used for transportation.*

*Subd. 34. [SOIL AMENDMENT.] "Soil amendment" means a substance intended to improve the physical characteristics of the soil, except fertilizers, agricultural liming materials, pesticides, and other materials exempted by the commissioner's rules. [17.713 s. 19]*

*Subd. 35. [SPECIALTY FERTILIZER.] "Specialty fertilizer" means a fertilizer labeled and distributed for, but not limited to, the following uses: commercial gardening, greenhouses, nurseries, sod farms, home gardens, house plants, lawn fertilizer that is not custom applied, shrubs, golf courses, municipal parks, cemeteries, and research or experimental uses. [17.713 s. 20]*

*Subd. 36. [SUBSTANTIALLY ALTERING.] "Substantially altering" means modifying a facility by adding additional safeguards or storage containers, or changing existing storage containers, safeguards, appurtenances, or piping. This does not include routine maintenance of existing safeguards, storage containers, appurtenances, and piping or of existing mixing, blending, weighing, and handling equipment.*

*Subd. 37. [TON.] "Ton" means a net ton of 2,000 pounds avoirdupois. [17.713 s. 21]*

*Subd. 38. [UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.] "Unreasonable adverse effects on the environment" means an unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of*

a fertilizer.

*Subd. 39. [WILDLIFE.] "Wildlife" means living things that are not human, domesticated, or pests.*

#### GENERAL PROVISIONS

Sec. 3. [18C.105] [ADMINISTRATION.]

*The commissioner of agriculture shall administer this chapter. [17.712]*

Sec. 4. [18C.111] [POWERS AND DUTIES OF COMMISSIONER.]

*Subdivision 1. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer, implement, and enforce this chapter and the department of agriculture is the lead state agency for the regulation of fertilizer, including storage, handling, distribution, use, and disposal of fertilizer.*

*Subd. 2. [DELEGATION OF DUTIES.] The commissioner may delegate duties under this chapter to designated employees or agents of the department of agriculture.*

*Subd. 3. [DELEGATION TO APPROVED AGENCIES.] The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of other agencies. The delegation may only be made to a state agency, a political subdivision, or a political subdivision's agency that has signed a joint powers agreement with the commissioner as provided in section 471.59.*

*Subd. 4. [EMPLOYEES.] The commissioner may employ necessary agents and assistants to administer and enforce this chapter, none of whom, except those who are employed on a full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan by the department of employee relations or the appropriate bargaining unit contract.*

Sec. 5. [18C.115] [ADOPTION OF NATIONAL STANDARDS.]

*Subdivision 1. [POLICY OF UNIFORMITY.] It is the policy of this state to achieve and maintain uniformity as much as possible with national standards and with other states in the regulation and control of the manufacture, distribution, and sale of fertilizer in this state.*

*Subd. 2. [ADOPTION OF NATIONAL STANDARDS.] Applicable national standards contained in the 1989 official publication, number 42, of the association of American plant food control officials including the rules and regulations, statements of uniform interpretation and policy, and the official fertilizer terms and definitions, and not otherwise adopted by the commissioner, may be adopted as fertilizer rules of this state.*

Sec. 6. [18C.121] [RULES.]

*Subdivision 1. [ADMINISTRATION.] The commissioner may adopt emergency or permanent rules necessary to implement and enforce this chapter. The rules must conform to national standards in a manner that is practicable and consistent with state law. [17.725 s. 1]*

*Subd. 2. [LIMING MATERIALS.] The commissioner may adopt rules governing the labeling, registration, and distribution of liming materials sold for agricultural purposes. [17.725 s. 2]*

*Subd. 3. [CERTIFICATION OF LABORATORIES.] The commissioner may adopt rules establishing procedures and requirements for certification of soil and plant food testing laboratories operating in or outside of the state for the benefit of state residents. The rules shall include but not be limited to standardization of procedures and recommendations relating to application of plant food materials. Basic data and reference material for establishment of rules will include but not be limited to findings of the University of Minnesota soil testing laboratory. [17.725 s. 3]*

*Subd. 4. [HEARINGS.] Hearings authorized or required by law must be conducted by the commissioner or an officer, agent, or employee the commissioner designates.*

**Sec. 7. [18C.131] [FERTILIZER INSPECTION ACCOUNT.]**

*A fertilizer inspection account is established in the state treasury. The fees collected under this chapter must be deposited in the state treasury and credited to the fertilizer inspection account. Money in that account, including interest earned and money appropriated for the purposes of this chapter, is annually appropriated to the commissioner for the administration of this chapter. [17.717 s. 1a]*

**Sec. 8. [18C.135] [APPLICATION OF REQUIREMENTS TO SEWAGE SLUDGE AND COMPOST.]**

*Subdivision 1. [SEWAGE SLUDGE WITHOUT CHARGE EXEMPT.] Sewage sludge that is transferred between parties without compensation is exempt from the requirements of this chapter except the labeling requirements of this chapter.*

*Subd. 2. [SEWAGE SLUDGE ANALYSIS MEETS LABELING REQUIREMENTS.] A copy of the sewage sludge analysis required by the rules of the pollution control agency is sufficient to meet the labeling requirements.*

*Subd. 3. [COMPOST WITHOUT CHARGE EXEMPT.] Compost that is transferred between parties without compensation is exempt from all requirements of this chapter.*

**Sec. 9. [18C.141] [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 shall 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 shall 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.] (a) 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.*

*(b) If a certified laboratory offers a recommendation, the University of Minnesota recommendation or that of another land grant college in a contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If relative levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state 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 shall 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 shall notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.*

*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 shall 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. [17.73]*

## SALE, USE, AND STORAGE

### Sec. 10. [18C.201] [PROHIBITED FERTILIZER ACTIVITIES.]

*Subdivision 1. [STORAGE, HANDLING, DISTRIBUTION, OR DISPOSAL.] A person may not store, handle, distribute, or dispose of a fertilizer, rinsate, fertilizer container, or fertilizer application equipment in a manner:*

*(1) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife;*

*(2) that will cause unreasonable adverse effects on the environment; or*

*(3) that will cause contamination of public or other waters of the state, as defined in section 105.37, subdivisions 7 and 14, from backsiphoning or backflowing of fertilizers through water wells or from the direct flowage of fertilizers.*

*Subd. 2. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.] A person may not fill fertilizer application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device that complies with Minnesota Rules, parts 4715.2000 to 4715.2280.*

*Subd. 3. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] A person may not fill fertilizer application equipment directly from public or other waters of the state, as defined in section 105.37, subdivisions 7 and 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms.*

*Subd. 4. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.] A person may not:*

*(1) clean fertilizer application equipment in surface waters of the state; or*

*(2) fill or clean fertilizer application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, fertilizers or materials contaminated with fertilizers could enter or contaminate the surface waters, groundwater, or wells, as a result of overflow, leakage, or other causes.*

*Subd. 5. [FERTILIZER, RINSATE, AND CONTAINER DISPOSAL.] A person may only dispose of fertilizer, rinsate, and fertilizer containers in accordance with this chapter. The manner of disposal must not cause unreasonable adverse effects on the environment.*

#### **Sec. 11. [18C.205] [CHEMIGATION.]**

*Subdivision 1. [AUTHORIZATION.] The commissioner may issue chemigation permits for irrigation to be used to apply fertilizers on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.*

*Subd. 2. [PERMIT REQUIRED.] A person may not apply fertilizers through an irrigation system without a chemigation permit from the commissioner. A chemigation permit is required for one or more wells that are protected from contamination by the same devices.*

*Subd. 3. [APPLICATION.] (a) A person must apply for a chemigation permit on forms prescribed by the commissioner.*

*(b) A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50. A person who holds a valid pesticide chemigation permit as required in chapter 18B is exempt from the fee in this subdivision.*

*Subd. 4. [PERMIT REQUIREMENTS.] An irrigation system operating under a chemigation permit must be fitted with effective antisiphon devices or check valves that prevent the backflow of fertilizers or fertilizer-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:*

*(1) the irrigation system pump or other source discharge and the point of fertilizer injection; and*

*(2) the point of fertilizer injection and the fertilizer supply.*

*Subd. 5. [RULES.] The commissioner shall adopt rules prescribing conditions and restrictions for applying fertilizers by irrigation.*

**Sec. 12. [18C.211] [GUARANTEED ANALYSIS.]**

*Subdivision 1. [N, P, and K NUTRIENT CONTENT STATED.] (a) Until the commissioner prescribes the alternative form of guaranteed analysis, it must be stated as provided in this subdivision.*

*(b) A guaranteed analysis must state the percentage of plant nutrient content, if claimed, in the following form:*

<i>“Total Nitrogen (N)</i>	<i>. . . . . percent</i>
<i>Available Phosphoric Acid (P2O5)</i>	<i>. . . . . percent</i>
<i>Soluble Potash (K2O)</i>	<i>. . . . . percent”</i>

*(c) For unacidulated mineral phosphatic materials and basic slag, bone, tankage, and other organic phosphate materials, the total phosphoric acid or degree of fineness may also be stated. [17.713 s. 8]*

*Subd. 2. [GUARANTEES OF THE NUTRIENTS.] (a) A person may guarantee plant nutrients other than nitrogen, phosphorus, and potassium only if allowed or required by commissioner’s rule.*

*(b) The guarantees for the plant nutrients must be expressed in the elemental form.*

*(c) The sources of other elements, oxides, salt, and chelates, may be required to be stated on the application for registration and may be included as a parenthetical statement on the label. Other beneficial substances or compounds, determinable by laboratory methods, also may be guaranteed by permission of the commissioner and with the advice of the director of the agricultural experiment station.*

*(d) If plant nutrients or other substances or compounds are guaranteed, the plant nutrients are subject to inspection and analyses in accord with the methods and rules prescribed by the commissioner.*

*(e) The commissioner may, by rule, require the potential basicity or acidity expressed in terms of calcium carbonate equivalent in multiples of 100 pounds per ton. [17.713 s. 8]*

*Subd. 3. [FORM FOR ANALYSES.] (a) The commissioner may require a guaranteed analysis to be in a prescribed form if the commissioner determines that the requirement for expressing the guaranteed analysis of phosphorus and potassium in elemental form would not impose an economic hardship on distributors and users of fertilizer because of conflicting labeling requirements among the states.*

*(b) The commissioner must give proper notice and hold a public hearing before the determination is made.*

*(c) After making the determination under paragraph (a), the commissioner may require by rule that guaranteed analyses be in the following form:*

<i>“Total Nitrogen (N)</i>	<i>. . . . . percent</i>
<i>Available Phosphorus (P)</i>	<i>. . . . . percent</i>
<i>Soluble Potassium (K)</i>	<i>. . . . . percent”</i>

*(d) In adopting the rule, the commissioner must provide that:*

*(1) the effective date of the rule is at least one year after the rule is adopted; and*

(2) for a period of two years following the effective date of the rule, the equivalent of phosphorus and potassium may also be shown in the form of phosphoric acid and potash.

(e) After the effective date of the rule requiring that phosphorus and potassium be shown in the elemental form, the guaranteed analysis for nitrogen, phosphorus, and potassium constitute the grade. [17.713 s. 8]

*Subd. 4. [GUARANTEED ANALYSIS OF SOIL OR PLANT AMENDMENT.]* The guaranteed analysis of a soil amendment or plant amendment must be an accurate statement of composition including the percentages of each ingredient. If the product is a microbiological product, the number of viable microorganisms per milliliter for a liquid or the number of viable microorganisms per gram for a dry product must also be listed. [17.713 s. 8]

Sec. 13. [18C.215] [FERTILIZER LABELING.]

*Subdivision 1. [LABEL CONTENTS.]* (a) A person may not sell or distribute fertilizer in bags or other containers in this state unless a label is placed on or affixed to the bag or container stating in a clear, legible, and conspicuous form the following information:

(1) the net weight;

(2) the brand and grade, except (i) the grade is not required if primary nutrients are not claimed, and (ii) the grade on the label is optional if the fertilizer is used only for agricultural purposes and the guaranteed analysis statement is shown in the complete form as in section 12;

(3) the guaranteed analysis;

(4) the name and address of the guarantor;

(5) directions for use; and

(6) a derivatives statement.

(b) The labeled information must appear:

(1) on the face or display side of the container in a conspicuous form;

(2) on the upper one-third of the side of the container;

(3) on the upper end of the container; or

(4) printed on tags affixed conspicuously to the upper end of the container. [17.716 s. 1]

*Subd. 2. [BLENDED AND MIXED FERTILIZER.]* (a) A distributor who blends or mixes fertilizer to a customer's order without a guaranteed analysis of the final mixture must furnish each purchaser with an invoice or delivery ticket in written or printed form showing the net weight and guaranteed analysis of each of the materials used in the mixture.

(b) The invoice or delivery ticket must accompany the delivery.

(c) Records of invoices or delivery tickets must be kept for five years after the delivery or application. [17.716 s. 3]

*Subd. 3. [BULK FERTILIZER.]* If fertilizer is transported or distributed in bulk, the information in subdivision 1, paragraph (a), must accompany each delivery in written or printed form and be supplied to each purchaser at time of delivery. [17.716 s. 3]

*Subd. 4. [PLANT FOOD CONTENT MUST BE UNIFORM.] The plant food content of a given lot of fertilizer must remain uniform and may not become segregated within the lot. [17.716 s. 4]*

*Subd. 5. [FERTILIZER IN BULK STORAGE.] Fertilizer in bulk storage must be identified with a label attached to the storage bin or container stating the appropriate grade or guaranteed analysis. [17.716 s. 5]*

**Sec. 14. [18C.221] [FERTILIZER PLANT FOOD CONTENT.]**

*(a) Products that are deficient in plant food content are subject to this subdivision.*

*(b) An analysis must show that a fertilizer is deficient:*

*(1) in one or more of its guaranteed primary plant nutrients beyond the investigational allowances and compensations as established by regulation; or*

*(2) if the overall index value of the fertilizer is shown below the level established by rule.*

*(c) A deficiency in an official sample of mixed fertilizer resulting from nonuniformity is not distinguishable from a deficiency due to actual plant nutrient shortage and is properly subject to official action.*

*(d) For the purpose of determining the commercial index value to be applied, the commissioner shall determine at least annually the values per unit of nitrogen, available phosphoric acid, and soluble potash in fertilizers in this state.*

*(e) If a fertilizer in the possession of the consumer is found by the commissioner to be short in weight, the registrant or licensee of the fertilizer must submit a penalty payment of two times the value of the actual shortage to the consumer within 30 days after official notice from the commissioner.*

**Sec. 15. [18C.225] [MISBRANDED PRODUCTS.]**

*Subdivision 1. [SALE AND DISTRIBUTION PROHIBITED.] A person may not sell or distribute a misbranded fertilizer, soil amendment, or plant amendment. [17.722]*

*Subd. 2. [FACTORS CAUSING MISBRANDING.] A fertilizer, soil amendment, or plant amendment is misbranded if:*

*(1) it carries a false or misleading statement on the container, on the label attached to the container; or*

*(2) false or misleading statements concerning the fertilizer, soil amendment, or plant amendment are disseminated in any manner or by any means. [17.722]*

**Sec. 16. [18C.231] [ADULTERATION.]**

*Subdivision 1. [SALE AND DISTRIBUTION PROHIBITED.] A person may not sell or distribute an adulterated fertilizer, soil amendment, or plant amendment product. [17.723]*

*Subd. 2. [FACTORS CAUSING ADULTERATION.] A fertilizer, soil amendment, or plant amendment is adulterated if:*

*(1) it contains a deleterious or harmful ingredient in an amount to render it injurious to plant life if applied in accordance with directions for use on the label;*



(2) the composition falls below or differs from that which the product is purported to possess by its labeling; or

(3) the product contains unwanted crop seed or weed seed. [17.723]

*Subd. 3. [CERTAIN ADULTERATED PRODUCTS MUST BE DISPOSED.] Adulterated products that cannot be reconditioned must be disposed of according to methods approved by the commissioner. [17.723]*

#### FACILITIES

Sec. 17. [18C.235] [CONTINGENCY PLAN FOR STORAGE OF BULK PRODUCTS.]

*Subdivision 1. [PLAN REQUIRED.] A person who stores fertilizers, soil amendment, or plant amendment products in bulk must develop and maintain a contingency plan that describes the storage, handling, disposal, and incident handling practices.*

*Subd. 2. [PLAN AVAILABILITY.] (a) The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request.*

*(b) The plan must be available for inspection by the commissioner.*

Sec. 18. [18C.301] [MIXING PESTICIDE WITH FERTILIZER, SOIL AMENDMENT, OR PLANT AMENDMENT.]

*A distributor who blends, mixes, or otherwise adds pesticides to fertilizers, soil amendments, or plant amendments must:*

*(1) be licensed under section 23; and*

*(2) comply with the provisions of chapter 18B and the federal Insecticide, Fungicide and Rodenticide Act, Public Law Number 92-516, as amended. [17.72]*

Sec. 19. [18C.305] [FERTILIZER FACILITIES.]

*Subdivision 1. [CONSTRUCTION PERMIT.] A person must obtain a permit from the commissioner on forms provided by the commissioner before the person constructs or substantially alters:*

*(1) safeguards; or*

*(2) an existing facility used for the manufacture, blending, handling, or bulk storage of fertilizers, soil amendments, or plant amendments. The commissioner may not grant a permit for a site without safeguards that are adequate to prevent the escape or movement of the fertilizers from the site. [17.7155 s. 1]*

*Subd. 2. [PERMIT FEES.] (a) An application for a new facility must be accompanied by a nonrefundable application fee of \$100 for each location where fertilizer is stored.*

*(b) An application to substantially alter a facility must be accompanied by a nonrefundable \$50 fee.*

*(c) In addition to the fees under paragraphs (a) and (b), a fee of \$250 must be paid by an applicant who begins construction or substantial alteration before a permit is issued. [17.7155 s. 2]*

*(d) An application for a facility that includes both fertilizers, as regulated under this chapter, and pesticides as regulated under chapter 18B shall*

pay only one application fee of \$100.

### REGISTRATION AND LICENSING

Sec. 20. [18C.401] [GENERAL LICENSING AND REGISTRATION CONDITIONS.]

*Subdivision 1. [SUBSTANTIATION OF CLAIMS.] The commissioner may require a person applying for a license or registration to manufacture or distribute a product for use in this state to submit authentic experimental evidence or university research data to substantiate the claims made for the product. The commissioner may rely on experimental data, evaluations, or advice furnished by experts at the University of Minnesota as evidence to substantiate claims and may accept or reject additional sources of evidence in evaluating a fertilizer, soil amendment, or plant amendment. The experimental evidence must relate to conditions in this state for which the product is intended. The commissioner may also require evidence of value when used as directed or recommended.*

*Subd. 2. [INSUFFICIENT EVIDENCE.] If the commissioner determines that the evidence submitted does not substantiate the product's usefulness in this state, the commissioner may require the applicant to submit samples, conduct tests, or submit additional information, including conditions affecting performance, to evaluate the product's performance and usefulness.*

*Subd. 3. [REFUSAL TO LICENSE OR REGISTER.] The commissioner may refuse to license a person or register a specialty fertilizer, soil amendment, or plant amendment if:*

- (1) the application for license or registration is not complete;*
- (2) the commissioner determines that the fertilizer, soil amendment, plant amendment, or other additive with substantially the same contents will not or is not likely to produce the results or effects claimed if used as directed;*
- (3) the commissioner determines that the fertilizer, soil amendment, plant amendment, or other additive with substantially the same contents is not useful in this state; or*
- (4) the facility does not properly safeguard for bulk storage.*

*Subd. 4. [CONDITIONAL LICENSE AND REGISTRATION.] (a) After reviewing an application accompanied by the application fee, the commissioner may issue a conditional license or registration:*

- (1) to prevent unreasonable adverse effects on the environment; or*
- (2) if the commissioner determines that the applicant needs the license or registration to accumulate information necessary to substantiate claims;*  
*or*
- (3) to correct minor label violations.*

*(b) The commissioner may prescribe terms, conditions, and a limited period of time for the conditional license or registration.*

*(c) The commissioner may revoke or modify a conditional license or registration if the commissioner finds that the terms or conditions are being violated or are inadequate to avoid unreasonable adverse effects on the environment.*

*(d) The commissioner may deny issuance of a conditional license or registration if the commissioner determines that issuance of a license or*

*registration is not warranted or that the use to be made of the product under the proposed terms and conditions may cause unreasonable adverse effects on the environment.*

Sec. 21. [18C.405] [PROTECTION OF TRADE SECRETS.]

*Subdivision 1. [NOTATION OF PROTECTED INFORMATION.] In submitting data required by this chapter, the applicant may:*

*(1) clearly mark any portions that in the applicant's opinion are trade secrets, or commercial or financial information; and*

*(2) submit the marked material separately from other material.*

*Subd. 2. [PROTECTION OF INFORMATION BY COMMISSIONER.]*

*(a) After consideration of the applicant's request submitted under subdivision 1, the commissioner may not allow the information to become public that the commissioner determines to contain or relate to trade secrets or to commercial or financial information obtained from an applicant. If necessary, information relating to formulas of products may be revealed to a state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the commissioner.*

*(b) If the commissioner proposes to release information that the applicant or registrant believes to be protected from disclosure under paragraph (a), the commissioner must notify the applicant or registrant by certified mail. The commissioner may not make the information available for inspection until 30 days after receipt of the notice by the applicant or registrant. During this period, the applicant or registrant may begin an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section.*

Sec. 22. [18C.411] [REGISTRATION OF SPECIALTY FERTILIZERS, SOIL AMENDMENTS, AND PLANT AMENDMENTS.]

*Subdivision 1. [REGISTRATION REQUIRED.] (a) A person may not sell brands or grades of specialty fertilizers, soil amendments, or plant amendments in this state unless they are registered with the commissioner. [17.714 s. 1]*

*(b) Registration of the materials is not a warranty by the commissioner or the state. [17.714 s. 6]*

*(c) Specialty fertilizers custom applied are exempt from the registration requirements of this section.*

*Subd. 2. [APPLICATION.] The application for registration must include:*

*(1) for specialty fertilizers:*

*(i) the name and address of the guarantor and registrant;*

*(ii) the brand and grade;*

*(iii) the guaranteed analysis as required by section 12;*

*(iv) the sources from which nitrogen, phosphorus, potassium or other elements or materials are derived; and*

*(v) the amount and formulas of inert ingredients; and*

*(2) for soil amendments and plant amendments:*

(i) the name and address of the guarantor and registrant;

(ii) the brand name;

(iii) the sources from which the ingredients used in the product are derived; and

(iv) the guaranteed analysis as required by section 12. [17.714 s. 2]

*Subd. 3. [COPY OF LABEL, AND LABELING MATERIAL.] Application for registration of a specialty fertilizer, a soil amendment, or a plant amendment must include:*

(1) a label or label facsimile of each product for which registration is requested; and

(2) a copy of all labeling material used in this state for promotion and sale of each product being registered. [17.714 s. 3]

*Subd. 4. [YEARLY REGISTRATION.] A registration is effective until January 1 following the date of issuance or approval. A product registration is not transferable from one person to another or from the ownership to whom the registration is issued to another ownership. [17.714 s. 3]*

#### Sec. 23. [18C.415] [FERTILIZER LICENSES.]

*Subdivision 1. [LICENSE REQUIRED.] (a) A person may not manufacture, blend, or otherwise manipulate fertilizers without obtaining a license from the commissioner from each fixed location where the person does business within the state and one license for all fixed locations that are located outside of the state. [17.715 s. 1, 2]*

(b) A distributor may not manipulate fertilizer by means of a mobile mechanical unit without a license from the commissioner for each mobile mechanical unit. [17.715 s. 3]

*Subd. 2. [COPY OF LABEL AND LABELING MATERIAL.] Application for license must include:*

(1) a designation of the formula such as is provided on an invoice, delivery ticket, label, or label facsimile, for each product manufactured or formulated; and

(2) a copy of all labeling material used in this state for promotion of each product manufactured or formulated.

*Subd. 3. [EFFECTIVE PERIOD.] Other licenses are for the period from January 1 to the following December 31 and must be renewed annually by the licensee before January 1. A license is not transferable from one person to another, from the ownership to whom issued to another ownership, or from one location to another location. [17.715 s. 4]*

*Subd. 4. [POSTING OF LICENSE.] The license must be posted in a conspicuous place in each fixed location in this state and accompany each mobile mechanical unit operated in this state. [17.715 s. 5]*

#### Sec. 24. [18C.421] [DISTRIBUTOR'S TONNAGE REPORT.]

*Subdivision 1. [SEMIANNUAL STATEMENT.] (a) Each licensed distributor of fertilizer except a retail fertilizer handler and each registrant of a specialty fertilizer, soil amendment, or plant amendment must file a semiannual statement for the periods ending December 31 and June 30 with the commissioner on forms furnished by the commissioner stating the*

*number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed in this state during the reporting period.*

*(b) A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received.*

*(c) The report is due on or before the last day of the month following the close of each reporting period of each calendar year.*

*(d) The inspection fee at the rate stated in section 25, subdivision 6, must accompany the statement. [17.718 s. 1]*

*Subd. 2. [ADDITIONAL REPORTS.] The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state. [17.718 s. 1]*

*Subd. 3. [LATE REPORT AND FEE PENALTY.] (a) If a distributor does not file the semiannual statement or pay the inspection fees by 31 days after the end of the reporting period, the commissioner shall assess a penalty of the greater of \$25 or ten percent of the amount due against the licensee or registrant.*

*(b) The fees due, plus the penalty, may be recovered in a civil action against the licensee or registrant.*

*(c) The assessment of the penalty does not prevent the commissioner from taking other actions as provided in this chapter. [17.718 s. 1]*

*Subd. 4. [RESPONSIBILITY FOR INSPECTION FEES.] If more than one person is involved in the distribution of a fertilizer, soil amendment, or plant amendment, the distributor who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer, soil amendment, or plant amendment registered is responsible for the inspection fee on products produced or brought into this state. The distributor must separately list the inspection fee on the invoice to the licensee. The last licensee must retain the invoices showing proof of inspection fees paid for three years and must pay the inspection fee on products brought into this state before July 1, 1989, unless the reporting and paying of fees have been made by a prior distributor of the fertilizer. [17.718 s. 2]*

*Subd. 5. [VERIFICATION OF STATEMENTS.] The commissioner may verify the records on which the statement of tonnage is based. [17.718 s. 3]*

**Sec. 25. [18C.425] [REGISTRATION, LICENSE, AND INSPECTION FEES.]**

*Subdivision 1. [APPLICATION FEES.] (a) An application for a retail fertilizer handler's license from each fixed location in the state must be accompanied by a \$25 fee.*

*(b) An application for other licenses for each fixed location to be covered by the license within the state must be accompanied by a \$100 fee.*

*(c) An application for a license for all fixed locations of a firm outside of the state must be accompanied by a fee of \$100.*

*(d) An application for a license to cover mobile mechanical units must*

*be accompanied by a fee of \$100 for the first unit operated by one distributor and \$50 for each additional mobile mechanical unit. [17.717 s. 1]*

*Subd. 2. [SPECIALTY FERTILIZER REGISTRATION.] An application for registration of a specialty fertilizer must be accompanied by a registration fee of \$100 for each brand and grade to be sold or distributed as provided in section 22. [17.717 s. 3]*

*Subd. 3. [SOIL AMENDMENT AND PLANT AMENDMENT REGISTRATION.] An application for registration of a soil amendment or plant amendment must be accompanied by a registration fee of \$200 for each brand sold or distributed as provided in section 22. [17.717 s. 4]*

*Subd. 4. [FEE FOR LATE APPLICATION.] If an application for renewal of a fertilizer license or registration of a specialty fertilizer, soil amendment, or plant amendment is not filed before January 1 or July 1 of a year, as required, an additional application fee of one-half of the amount due must be paid before the renewal license or registration may be issued. [17.717 s. 4a]*

*Subd. 5. [FEE FOR PRODUCT USE WITHOUT INITIAL REGISTRATION OR LICENSE.] An additional application fee equal to the amount due must be paid by an applicant for each license or registration required for products distributed or used in this state before an initial license or registration for the products distributed or used is issued by the commissioner.*

*Subd. 6. [INSPECTION FEES.] A person who sells or distributes fertilizers, soil amendments, or plant amendments in this state must pay an inspection fee amounting to the greater of 15 cents per ton of fertilizer, soil amendment, and plant amendment sold or distributed in this state or \$10. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes. [17.717 s. 5]*

#### INDUSTRIAL BY-PRODUCT SOIL BUFFERING MATERIALS

##### Sec. 26. [18C.501] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 26 to 31. [17.7241 s. 1]*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture. [17.7241 s. 2]*

*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. [17.7241 s. 3]*

*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. [17.7241 s. 4]*

*Subd. 5. [SOIL BUFFERING MATERIALS.] "Soil buffering materials" means materials whose calcium or magnesium or both are capable of neutralizing soil acidity. [17.7241 s. 5]*

*Subd. 6. [STOCKPILE.] "Stockpile" means a supply of agricultural soil*

*buffering material stored for future use. [17.7241 s. 6]*

*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. [17.7241 s. 7]*

**Sec. 27. [18C.505] [SOIL BUFFERING DEMONSTRATION PROJECT AND STUDY.]**

*Subdivision 1. [PURPOSE.] The purpose of the demonstration project required under sections 26 to 31 is to identify appropriate and mutually beneficial methods for the use of industrial by-product soil buffering materials. Proper use 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. [17.7242 s. 1]*

*Subd. 2. [AUTHORITY.] The commissioner shall coordinate the design and implementation of a demonstration project to examine the technical feasibility, economic benefits, and environmental impacts of using industrial by-product soil buffering materials as a substitute for limestone and other traditional soil buffering materials. [17.7242 s. 2]*

*Subd. 3. [PROCEDURES DEVELOPED.] The demonstration project must 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, they must be provided to the landowner or tenant prior to land application or stockpiling. [17.7242 s. 3]*

*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 use of industrial by-product soil buffering materials for agricultural purposes. [17.7242 s. 4]*

**Sec. 28. [18C.511] [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. [17.7243 s. 1]*

*Subd. 2. [PUBLIC EDUCATION.] The commissioner shall seek to maximize the public education benefit of the demonstration program. [17.7243 s. 2]*

**Sec. 29. [18C.515] [ENVIRONMENTAL CONTROLS.]**

*Subdivision 1. [SAMPLING AND 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 industrial by-product 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 industrial by-product 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 26 to 31. [17.7244 s. 1]*

*Subd. 2. [RECEIPT AND REPORT ON SAMPLES.] 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. [17.7244 s. 2]*

*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. [17.7244 s. 3]*

**Sec. 30. [18C.521] [REPORT.]**

*The commissioner shall report to the committees on agriculture of the house of representatives and senate on March 1 of each year, about the activities, findings, and recommendations related to the demonstration project. [17.7245]*

**Sec. 31. [18C.525] [EXEMPTION.]**

*Sections 26 to 31 do not apply to industrial by-product soil buffering material produced at a facility if the University of Minnesota, North Central Experimental Station, has conducted a study of the material at that facility. [17.7246]*

**Sec. 32. [CROP CONSULTANT CERTIFICATION.]**

*The commissioner shall, in consultation with the Minnesota extension service and the consultant community, develop recommendations for a mandatory state crop consultant certification program and report its recommendations to the governor and legislature by November 15, 1990. The program shall include consideration of educational requirements, current professional certification programs, and certification subcategories based on the need for consultant specialization.*

**Sec. 33. [FERTILIZER PRACTICES.]**

*Subdivision 1. [COMMISSIONER'S DUTIES.] The commissioner shall:*

(1) *establish best management practices and water resources protection requirements involving fertilizer use, distribution, storage, handling, and disposal;*

(2) *cooperate with other state agencies and local governments to protect*



*public health and the environment from harmful exposure to fertilizer; and*

*(3) appoint a task force to study the effects and impact on water resources from nitrogen fertilizer use so that best management practices, a fertilizer management plan, and nitrogen fertilizer use regulations can be developed.*

*Subd. 2. [TASK FORCE.] (a) The task force must include farmers, representatives from farm organizations, the fertilizer industry, University of Minnesota, environmental groups, representatives of local government involved with comprehensive local water planning, and other state agencies, including the pollution control agency, the department of health, the department of natural resources, the state planning agency, and the board of water and soil resources.*

*(b) The task force shall review existing research including pertinent research from the University of Minnesota and shall develop recommendations for a nitrogen fertilizer management plan for the prevention, evaluation, and mitigation of nonpoint source occurrences of nitrogen fertilizer in waters of the state. The nitrogen fertilizer management plan must include components promoting prevention and developing appropriate responses to the detection of inorganic nitrogen from fertilizer sources in ground or surface water.*

*(c) The task force shall report its recommendations to the commissioner by May 1, 1990. The commissioner shall report to the environmental quality board by July 1, 1990, on the task force's recommendations. The recommendations of the task force shall be incorporated into an overall nitrogen plan prepared by the pollution control agency and the department of agriculture.*

**Sec. 34. [REPEALER.]**

*Minnesota Statutes 1988, sections 17.711; 17.712; 17.713; 17.714; 17.715; 17.7155; 17.716; 17.717; 17.718; 17.719; 17.72; 17.721; 17.722; 17.723; 17.7241; 17.7242; 17.7243; 17.7244; 17.7245; 17.7246; 17.725; 17.726; 17.727; 17.728; 17.7285; 17.729; and 17.73, are repealed.*

*Sections 26 to 31 are repealed June 30, 1991.*

**ARTICLE 8**

**CHAPTER 18D**

**AGRICULTURAL CHEMICAL INCIDENTS AND ENFORCEMENT**

**Section 1. [DEFINITIONS.]**

*Subdivision 1. [DEFINITIONS IN CHAPTERS 18B AND 18C APPLY.] The definitions in chapters 18B and 18C apply to this chapter.*

*Subd. 2. [APPLICABILITY OF DEFINITIONS IN THIS SECTION.] The definitions in this section apply to this chapter.*

*Subd. 3. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" means a pesticide as defined under chapter 18B or a fertilizer, plant amendment, or soil amendment as defined under chapter 18C.*

*Subd. 4. [CORRECTIVE ACTION.] "Corrective action" means an action taken to minimize, eliminate, or clean up an incident.*

*Subd. 5. [HAZARDOUS WASTE.] "Hazardous waste" means a substance identified or listed as hazardous waste in the rules adopted under section 116.07, subdivision 4.*

*Subd. 6. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, portable container rupture, leak, spill, emission, discharge, escape, disposal, or other event that releases or immediately threatens to release an agricultural chemical accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. Incident does not include a release resulting from the normal use of a product or practice in accordance with law.*

*Subd. 7. [OWNER OF REAL PROPERTY.] "Owner of real property" means a person who is in possession of, has the right of control, or controls the use of real property, including without limitation a person who may be a fee owner, lessee, renter, tenant, lessor, contract for deed vendee, licensor, licensee, or occupant.*

*Subd. 8. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, joint stock company, or unincorporated organization, the state, a state agency, or a political subdivision. [17.713 s. 15]*

*Subd. 9. [PROVISION OF THIS CHAPTER.] "Provision of this chapter" means a provision of this chapter, chapter 18B, chapter 18C, or a rule adopted under those chapters.*

*Subd. 10. [RESPONSIBLE PARTY.] "Responsible party" means a person who at the time of an incident has custody of, control of, or responsibility for a pesticide, fertilizer, pesticide or fertilizer container, or pesticide or fertilizer rinsate.*

## INCIDENTS

### Sec. 2. [18D.101] [REPORT OF INCIDENTS REQUIRED.]

*Subdivision 1. [REPORT TO COMMISSIONER.] A responsible party or an owner of real property must, on discovering an incident has occurred, immediately report the incident to the commissioner.*

*Subd. 2. [WRITTEN REPORT.] The responsible party must submit a written report of the incident to the commissioner in the form and by the time prescribed by the commissioner.*

### Sec. 3. [18D.105] [CORRECTIVE ACTION ORDERS.]

*Subdivision 1. [CORRECTIVE ACTION ORDERS.] (a) After determining an incident has occurred, the commissioner may order the responsible party to take reasonable and necessary corrective actions.*

*(b) The commissioner shall notify the owner of real property where corrective action is ordered that access to the property will be required for the responsible party or the commissioner to take corrective action.*

*(c) A political subdivision may not request or order any person to take an action that conflicts with the corrective action ordered by the commissioner.*

*(d) The attorney general on request of the commissioner may bring an action to compel corrective action.*

*Subd. 2. [COMMISSIONER'S CORRECTIVE ACTIONS.] The commissioner may take corrective action if:*

*(1) a responsible party cannot be identified; or*

*(2) an identified responsible party cannot or will not comply with a corrective action order issued under subdivision 1.*

*Subd. 3. [EMERGENCY CORRECTIVE ACTION.] (a) To assure an adequate response to an incident, the commissioner may take corrective action without following the procedures of subdivision 1 if the commissioner determines that the incident constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment.*

*(b) Before taking an action under this subdivision, the commissioner must make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible party to take a corrective action and notify the owner of real property where the corrective action is to be taken.*

*Subd. 4. [AGRICULTURE IS LEAD AGENCY.] The department of agriculture is the lead state agency in taking corrective action for incidents.*

**Sec. 4. [18D.111] [LIABILITY FOR COSTS.]**

*Subdivision 1. [CORRECTIVE ACTION COSTS.] (a) A responsible party is liable for the costs including administrative costs for corrective action incurred after the corrective action order has been issued, or for emergency corrective action. The commissioner may issue an order for recovery of the costs.*

*(b) A responsible party is liable for the costs of any destruction to wildlife. Payments of costs for wildlife destruction shall be deposited in the game and fish fund of the state treasury.*

*Subd. 2. [OWNER OF REAL PROPERTY.] An owner of real property is not a responsible party for an incident on the owner's property unless that owner:*

*(1) was engaged in manufacturing, formulating, transporting, storing, handling, applying, distributing, or disposing of an agricultural chemical on the property;*

*(2) knowingly permitted any person to make regular use of the property for disposal of agricultural chemicals; or*

*(3) violated this chapter in a way that contributed to the incident.*

*Subd. 3. [LIABILITY FOR APPLICATION.] (a) Notwithstanding other provisions relating to liability for agricultural chemical use, an end user or landowner is not liable for the cost of active cleanup, or damages associated with or resulting from agricultural chemicals in groundwater if the person has applied or has had others apply agricultural chemicals in compliance with state law and orders of the commissioner.*

*(b) It is a complete defense for liability if the person has complied with the provisions in paragraph (a).*

*Subd. 4. [LIABILITY OF APPLICATOR'S EMPLOYEES.] A person licensed under chapter 18B or 18C who custom applies an agricultural chemical is civilly liable for violations of this chapter by the person's employees and agents.*

*Subd. 5. [AVOIDANCE OF LIABILITY.] (a) A responsible party may not avoid liability by means of a conveyance of a right, title, or interest in real property, or by an indemnification, hold harmless agreement, or similar agreement.*

*(b) This subdivision does not:*

(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;

(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or

(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.

*Subd. 6. [DEFENSE.] As a defense to a penalty or liability for damages, a person may prove that a violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or a combination of these defenses.*

**Sec. 5. [18D.115] [APPORTIONMENT OF LIABILITY AND CONTRIBUTION.]**

*Subdivision 1. [RIGHT OF APPORTIONMENT.] (a) A responsible party held liable under this chapter has the right to have the trier of fact apportion liability among the responsible parties as provided in this section. The burden is on each responsible party to show how that responsible party's liability should be apportioned. The trier of fact shall reduce the amount of damages in proportion to the amount of liability apportioned to the party recovering.*

*(b) In apportioning the liability of a party under this section, the trier of fact shall consider the following:*

*(1) the extent to which that responsible party contributed to the incident;*

*(2) the amount of agricultural chemical involved;*

*(3) the degree of toxicity of the agricultural chemical involved;*

*(4) the degree of involvement of and care exercised by the responsible party in manufacturing, formulating, handling, storing, distributing, transporting, applying, and disposing of the agricultural chemical;*

*(5) the degree of cooperation by the responsible party with federal, state, or local officials to prevent any harm to the public health or the environment; and*

*(6) knowledge by the responsible party of the hazardous nature of the agricultural chemical.*

*Subd. 2. [CONTRIBUTION.] If a responsible party is held liable under this chapter and establishes a proportionate share of the aggregate liability, the provisions of section 604.02, subdivisions 1 and 2, shall apply with respect to contribution and reallocation of any uncollectible amounts, except that an administrative law judge may also perform the functions of a court identified in section 604.02, subdivision 2.*

**INSPECTION**

**Sec. 6. [18D.201] [INSPECTION, SAMPLING, ANALYSIS.]**

*Subdivision 1. [ACCESS AND ENTRY.] (a) The commissioner, upon presentation of official department credentials, must be granted access at reasonable times without delay to sites:*

*(1) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports an agricultural chemical; or*

(2) which the commissioner reasonably believes are affected, or possibly affected, by the use of an agricultural chemical, agricultural chemical container, agricultural chemical rinsate, or agricultural chemical device in violation of this chapter.

(b) The commissioner may enter sites for:

(1) inspection of equipment for the manufacture, formulation, blending, distribution, disposal, or application of agricultural chemicals and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to agricultural chemicals;

(3) inspection of storage, handling, distribution, use, or disposal areas of agricultural chemicals or their containers;

(4) inspection or investigation of complaints of injury to the environment;

(5) sampling of agricultural chemicals;

(6) observation of the use and application of an agricultural chemical;

(7) inspection of records related to the manufacture, distribution, storage, handling, use, or disposal of an agricultural chemical;

(8) investigating the source, nature, and extent of an incident, and the extent of the adverse effects on the environment; and

(9) other purposes necessary to implement this chapter, chapter 18B, or 18C.

(c) The commissioner may enter any public or private premises during or after regular business hours without a notice of inspection when a suspected incident may threaten public health or the environment.

**Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.]** (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If requested, the commissioner shall split any samples obtained and provide them to the owner, operator, or agent in charge. 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 within 30 days after an analysis has been performed. If an analysis is not performed, the commissioner must notify the owner, operator, or agent in charge within 30 days of the decision not to perform the analysis.

(b) The methods of sampling and analysis must be those adopted by the United States Environmental Protection Agency or the association of official analytical chemists. In cases not covered by those methods, or in cases where methods are available in which improved applicability has been demonstrated, the commissioner may adopt appropriate methods from other sources.

(c) In sampling a lot of agricultural chemical that is registered, a single package may constitute the official sample.

**Subd. 3. [INSPECTION REQUESTS BY OTHERS.]** (a) A person who believes that a violation of this chapter has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.

(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.

(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the commissioner determines that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.

**Subd. 4. [ORDER TO ENTER AFTER REFUSAL.]** After a refusal or an anticipated refusal based on a prior refusal to allow entrance on a prior occasion by an owner, operator, or agent in charge to allow entry as specified in this chapter, the commissioner may apply for an order in the district court in the county where a site is located, that compels a person with authority to allow the commissioner to enter and inspect the site.

**Subd. 5. [VIOLATOR LIABLE FOR INSPECTION COSTS.]** (a) The cost of reinspection and reinvestigation may be assessed by the commissioner if the person subject to the corrective action order or remedial action order does not comply with the order in a reasonable time as provided in the order.

(b) The commissioner may enter an order for recovery of the inspection and investigation costs.

**Subd. 6. [INVESTIGATION AUTHORITY.]** (a) In making inspections under this chapter, the commissioner may administer oaths, certify official acts, issue subpoenas to take and cause to be taken depositions of witnesses, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony.

(b) If a person fails to comply with a subpoena, or a witness refuses to produce evidence or to testify to a matter about which the person may be lawfully questioned, the district court shall, on application of the commissioner, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify in court.

## ENFORCEMENT

### Sec. 7. [18D.301] [ENFORCEMENT.]

**Subdivision 1. [ENFORCEMENT REQUIRED.]** (a) The commissioner shall enforce this chapter and chapters 18B and 18C.

(b) Violations of chapter 18B or chapter 18C or rules adopted under chapter 18B or chapter 18C are a violation of this chapter.

(c) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter or special orders, standards, stipulations, and agreements of the commissioner.

**Subd. 2. [COMMISSIONER'S DISCRETION.]** If minor violations of this chapter, chapter 18B, or chapter 18C occur or when the commissioner believes the public interest will be best served by a suitable notice of warning in writing, this chapter does not require the commissioner to:

- (1) report the violation for prosecution;
- (2) institute seizure proceedings; or
- (3) issue a withdrawal from distribution or stop-sale order. [17.728 s. 3]

*Subd. 3. [CIVIL ACTIONS.] Civil judicial enforcement actions may be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil judicial enforcement action upon the request of the commissioner and agreement by the attorney general.*

*Subd. 4. [INJUNCTION.] The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of this chapter.*

*Subd. 5. [CRIMINAL ACTIONS.] For a criminal action, the county attorney from the county where a criminal violation occurred is responsible for prosecuting a violation of this chapter. If the county attorney refuses to prosecute, the attorney general on request of the commissioner may prosecute.*

*Subd. 6. [AGENT FOR SERVICE OF PROCESS.] All nonresident commercial and structural pest control applicator licensees licensed as individuals must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee.*

**Sec. 8. [18D.305] [ADMINISTRATIVE ACTION.]**

*Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale, removal, correction order, or other special order, seizure, stipulation, agreement, or administrative penalty, if the commissioner determines that the remedy is in the public interest.*

*Subd. 2. [REVOCAION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant a registration, permit, license, or certification if a person violates a provision of this chapter or has a history within the last three years of violations of this chapter.*

*Subd. 3. [CANCELLATION OF REGISTRATION.] (a) The commissioner may cancel the registration of a specialty fertilizer, soil amendment, or plant amendment or refuse to register a brand of specialty fertilizer, soil amendment, or plant amendment after receiving satisfactory evidence that the registrant has used fraudulent or deceptive practices in the evasion or attempted evasion of the provisions of this chapter.*

*(b) Registration may not be revoked until the registrant has been given opportunity for a hearing by the commissioner. [17.728 s. 1]*

*Subd. 4. [CANCELLATION OF LICENSE.] (a) The commissioner may cancel a license issued under this chapter after receiving satisfactory evidence that the licensee has used fraudulent and deceptive practices in the evasion or attempted evasion of the provisions of this chapter.*

*(b) A license may not be revoked until the licensee has been given opportunity for a hearing by the commissioner. [17.728 s. 2]*

**Subd. 5. [CANCELLATION OF FACILITY AND EQUIPMENT**

APPROVAL.] (a) *The commissioner may cancel the approval of a facility or equipment if:*

*(1) hazards to people's lives, adjoining property, or the environment exist; or*

*(2) there is satisfactory evidence that the person to whom the approval was issued has used fraudulent or deceptive practices to evade or attempt to evade the provisions of this chapter.*

*(b) An approval may not be canceled until the person has been given an opportunity for a hearing by the commissioner. [17.728 s. 2a]*

*Subd. 6. [SERVICE OF ORDER OR NOTICE.] (a) If a person is not available for service of an order, the commissioner may attach the order to the agricultural chemical container, rinsate, equipment, or device or facility and notify the owner, custodian, other responsible party, or registrant.*

*(b) The agricultural chemical container, rinsate, equipment, or device may not be sold, used, or removed until the agricultural chemical container, rinsate, equipment, or device has been released under conditions specified by the commissioner, by an administrative law judge, or by a court.*

**Sec. 9. [18D.311] [DAMAGES AGAINST STATE FOR ADMINISTRATIVE ACTION WITHOUT CAUSE.]**

*If the commissioner did not have probable cause for an administrative action, including the issuance of a stop-sale, stop-use, or removal order, a court may allow recovery for damages caused by the administrative action.*

**Sec. 10. [18D.315] [ADMINISTRATIVE PENALTIES.]**

*Subdivision 1. [ASSESSMENT.] (a) In determining the amount of the administrative penalty, the commissioner shall consider the economic gain received by the person allowing or committing the violation, the gravity of the violation in terms of actual or potential damage to human health and the environment, and the violator's culpability, good faith, and history of violations.*

*(b) The commissioner may assess an administrative penalty of up to \$5,000 per day for a violation of a corrective action order or remedial action order.*

*(c) An administrative penalty may be assessed if the person subject to a corrective action order or remedial action order does not comply with the order in the time provided in the order. The commissioner must state the amount of the administrative penalty in the corrective action order or remedial action order.*

*Subd. 2. [COLLECTION OF PENALTY.] (a) If a person subject to an administrative penalty fails to pay the penalty, which must be part of a final order by the commissioner, by 30 days after the final order is issued, the commissioner may commence a civil action for double the assessed penalty plus attorney fees and costs.*

*(b) An administrative penalty may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office.*

**Sec. 11. [18D.321] [APPEAL OF COMMISSIONER'S ORDERS.]**



*Subdivision 1. [NOTICE OF APPEAL.] (a) After service of an order, a person has 45 days from receipt of the order to notify the commissioner in writing that the person intends to contest the order.*

*(b) If the person fails to notify the commissioner that the person intends to contest the order, the order is a final order of the commissioner and not subject to further judicial or administrative review.*

*Subd. 2. [ADMINISTRATIVE REVIEW.] If a person notifies the commissioner that the person intends to contest an order issued under this chapter, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings in contested cases.*

*Subd. 3. [JUDICIAL REVIEW.] Judicial review of a final decision in a contested case is available as provided in chapter 14.*

*Subd. 4. [RECOVERY OF LEGAL EXPENSES.] The prevailing party may recover reasonable legal expenses incurred in a contested case or an appeal from a contested case. The certification of expenses is prima facie evidence that the expenses are reasonable and necessary.*

#### Sec. 12. [18D.325] [CIVIL PENALTIES.]

*Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivisions 2 and 3, a person who violates this chapter, chapter 18B or 18C or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner is subject to a civil penalty of up to \$10,000 per day of violation as determined by the court.*

*Subd. 2. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who violates a provision of this chapter, chapter 18B, or chapter 18C or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner that relates to disposal of agricultural chemicals so that they become hazardous waste, is subject to the penalties in section 115.071.*

*Subd. 3. [DEFENSE TO CIVIL REMEDIES AND DAMAGES.] As a defense to a civil penalty or claim for damages under subdivisions 1 and 2, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.*

*Subd. 4. [ACTIONS TO COMPEL PERFORMANCE.] In an action to compel performance of an order of the commissioner to enforce a provision of this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.*

*Subd. 5. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.*

*Subd. 6. [RECOVERY OF LITIGATION COSTS AND EXPENSES.] In an action brought by the attorney general or a county attorney in the name of the state under this chapter for civil penalties or injunctive relief, or in an action to compel compliance, if the state finally prevails, the state, in addition to other penalties provided in this chapter, must be allowed an amount determined by the court to be the reasonable value of all or a part*

*of the litigation expenses including attorney fees incurred by the state or county attorney. In determining the amount of these litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.*

Sec. 13. [18D.331] [CRIMINAL PENALTIES.]

*Subdivision 1. [GENERAL VIOLATION.] Except as provided in subdivisions 2 and 3, a person is guilty of a misdemeanor if the person violates a provision of this chapter, chapter 18B, or chapter 18C or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner.*

*Subd. 2. [VIOLATION ENDANGERING HUMANS.] A person is guilty of a gross misdemeanor if the person violates a provision of this chapter, chapter 18B, or chapter 18C or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner, and the violation endangers humans.*

*Subd. 3. [VIOLATION WITH KNOWLEDGE.] A person is guilty of a gross misdemeanor if the person knowingly violates a provision of this chapter, chapter 18B, or chapter 18C or a standard, special order, stipulation, agreement, or schedule of compliance of the commissioner.*

*Subd. 4. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who knowingly, or with reason to know, disposes of an agricultural chemical so that the product becomes hazardous waste is subject to the penalties in section 115.071.*

ARTICLE 9

CHAPTER 18E

AGRICULTURAL CHEMICAL INCIDENT RESPONSE FUND

Section 1. [18E.01] [CITATION.]

*This chapter may be cited as the agricultural chemical incident response fund.*

Sec. 2. [18E.02] [DEFINITIONS.]

*Subdivision 1. [DEFINITIONS IN CHAPTER 18B AND 18C APPLY.] The definitions contained in chapters 18B and 18C apply to this chapter.*

*Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" means pesticide, fertilizer, plant amendment, or soil amendment but does not include nitrate and related nitrogen from a natural source.*

*Subd. 3. [FUND.] "Fund" means the agricultural chemical incident response fund.*

*Subd. 4. [ELIGIBLE PERSON.] "Eligible person" means a responsible party or an owner of real property.*

*Subd. 5. [WHOLESALE SALE.] "Wholesale sale" means a sale of agricultural chemicals to a retailer, or to a person or entity who applies the agricultural chemical if the agricultural chemical is not bought from a retailer. If a person or entity makes wholesale and retail sales, the entire amount of the sale of agricultural chemicals to the person or entity is not a wholesale sale unless the purchaser provides an affidavit of the amount that will be sold at retail.*

Sec. 3. [18E.03] [AGRICULTURAL CHEMICAL INCIDENT RESPONSE FUND.]

*Subdivision 1. [ESTABLISHMENT.] (a) The agricultural chemical incident fund is established as a fund in the state treasury.*

*(b) The fund consists of an incident response account and a response reimbursement account.*

*Subd. 2. [INCIDENT RESPONSE ACCOUNT.] (a) Money in the incident response account may only be used for:*

*(1) payment to the commissioner of finance to credit the response account in the environmental response, compensation, and compliance fund under section 115B.20, subdivision 1;*

*(2) to pay for the commissioner's responses to incidents under chapters 18B and 18C that are not eligible for payment under section 115B.20, subdivision 2; and*

*(3) to pay for emergency responses that are otherwise unable to be funded.*

*(b) Money in the incident response account is appropriated to the commissioner to make payments as provided in this subdivision.*

*Subd. 3. [INCIDENT RESPONSE FEE.] (a) The commissioner shall impose an incident response fee on registration of pesticides under chapter 18B and registration of fertilizers, plant amendments, and soil amendments under chapter 18C. For fertilizers that are not registered under chapter 18C, an incident response fee shall be imposed on each brand or grade of fertilizer, soil amendment, or plant amendment distributed in the state and required to be listed on a licensee's tonnage report under chapter 18C. The commissioner shall charge the incident response fee as part of the registration fee of the agricultural chemicals. The commissioner shall determine the amount of the incident response fee, notwithstanding section 16A.128, based on:*

*(1) the amount needed to reimburse the response account of the environmental response, compensation, and compliance fund under section 115B.20, subdivision 1;*

*(2) the amount needed to maintain an emergency response balance in the account of \$1,000,000;*

*(3) the amount estimated to be needed for responses to incidents as provided in subdivision 2, clause (2); and*

*(4) for the amount of the incident response fee charged for each agricultural chemical registered, the amount of active ingredients of the agricultural chemical used in this state as determined by the commissioner, but the incident response fee charged may not be less than \$25 per agricultural chemical or more than \$3,000, except the incident response fee may exceed \$3,000 for agricultural chemicals containing a substance for which the United States Environmental Protection Agency has announced a health advisory in the federal register.*

*(b) Money from the incident response fee shall be deposited in the fund and credited to the incident response account.*

*(c) The commissioner shall determine the incident response fee so that the balance in the account does not exceed \$5 million. The balance in the*

account may not exceed \$2.5 million during the first year the fee is imposed.

*Subd. 4. [RESPONSE REIMBURSEMENT ACCOUNT.] Money in the response reimbursement account may only be used for reimbursement or payment of the reasonable and necessary costs incurred by a responsible party taking a corrective action as provided under section 4.*

*Subd. 5. [RESPONSE REIMBURSEMENT FEE.] (a) A response reimbursement fee is imposed on the weight or volume of agricultural chemicals sold by wholesale sales to a person or other entity in this state. The commissioner must determine the amount of fee, notwithstanding section 16A.128, based on:*

*(1) the amount needed for reimbursement of response costs under section 4; and*

*(2) the amount needed to maintain a minimum balance in the account of \$1,000,000.*

*(b) The commissioner shall set the response reimbursement fee on an annual basis as a rate per weight or volume of agricultural chemical sold. The rate shall be based on the amount of active ingredients in the agricultural chemical. The response reimbursement fee may not be less than \$25 for each agricultural chemical sold by a person or entity at wholesale or more than \$3,000, except the response reimbursement fee may exceed \$3,000 for an agricultural chemical containing a substance for which the United States Environmental Protection Agency has announced a health advisory in the federal register.*

*(c) The commissioner must reduce or eliminate the response reimbursement fee if the balance in the account exceeds \$5,000,000.*

*(d) The commissioner of revenue shall collect the response reimbursement fee on a quarterly basis and has the collection and enforcement authority to collect the fee as if it were a tax under chapter 297 or 297A.*

*(e) The money collected from the response reimbursement fee shall be deposited in the fund and credited to the incident reimbursement account.*

*Subd. 6. [REVENUE SOURCES.] (a) Revenue from the following sources must be deposited in the state treasury and credited to the fund:*

*(1) the proceeds of the fees imposed by subdivisions 3 and 5;*

*(2) money recovered by the state for expenses paid with money from the fund excluding reimbursements to the environmental response, compensation, and compliance fund under section 115B.20, subdivision 4, clause 4;*

*(3) interest attributable to investment of money in the fund; and*

*(4) money received by the commissioner in the form of gifts, grants other than federal grants, reimbursements, and appropriations from any source intended to be used for the purposes of the fund.*

*(b) Money deposited in the fund shall be credited to the incident response account except for money collected from the response reimbursement fee under subdivision 5 and money recovered relating to response reimbursement payments under section 4, subdivision 6.*

**Sec. 4. [18E.04] [REIMBURSEMENT OR PAYMENT OF RESPONSE COSTS.]**

*Subdivision 1. [REIMBURSEMENT OF RESPONSE COSTS.] The commissioner shall reimburse an eligible person from the response reimbursement account for the reasonable and necessary costs incurred by the eligible person in taking corrective action as provided in subdivision 4, if the commissioner determines:*

- (1) the eligible person complied with corrective action orders issued to the eligible person by the commissioner; and*
- (2) the incident was reported as required in chapters 18B and 18C.*

*Subd. 2. [PAYMENT OF CORRECTIVE ACTION COSTS.] (a) On request by an eligible person, the commissioner may pay the eligible person for the reasonable and necessary cash disbursements for corrective action costs incurred by the eligible person as provided under subdivision 4 if the commissioner determines:*

- (1) the eligible person pays the first \$1,000 of the corrective action costs;*
- (2) the eligible person provides the commissioner with a sworn affidavit and other convincing evidence that the eligible person is unable to pay additional corrective action costs;*
- (3) the eligible person continues to assume responsibility for carrying out the requirements of corrective action orders issued to the eligible person or at once in effect; and*
- (4) the incident was reported as required in chapters 18B and 18C.*

*(b) An eligible person is not eligible for payment or reimbursement and must refund amounts paid or reimbursed by the commissioner if false statements or misrepresentations are made in the affidavit or other evidence submitted to the commissioner to show an inability to pay corrective action costs.*

*Subd. 3. [PARTIAL REIMBURSEMENT.] If the commissioner determines that an incident was caused in part, but not entirely by a violation of chapter 18B or 18D, the commissioner shall reimburse or pay the corrective action costs of the eligible person based on the culpability of the eligible person and the percentage of the costs not attributable to the violation.*

*Subd. 4. [REIMBURSEMENT PAYMENTS.] (a) The commissioner shall pay a person that is eligible for reimbursement or payment under subdivisions 1, 2, and 3 from the response reimbursement account for:*

- (1) 80 percent of the total reasonable and necessary corrective action costs greater than \$1,000 and less than \$100,000; and*
- (2) 100 percent of the total reasonable and necessary corrective action costs equal to or greater than \$100,000 but less than \$250,000.*

*(b) A reimbursement or payment may not be made until the commissioner has determined that the costs are reasonable and for a reimbursement that the costs were actually incurred.*

*(c) Money in the response reimbursement account is appropriated to the commissioner to make payments and reimbursements under this subdivision.*

*Subd. 5. [REIMBURSEMENT OR PAYMENT DECISIONS.] (a) The commissioner must issue an order granting or denying a request within 30*

days following a request for reimbursement or for payment under subdivisions 1, 2, or 3.

(b) After an initial request is made for reimbursement notwithstanding subdivisions 1 to 4, the commissioner may deny additional requests for reimbursement.

(c) If a request is denied, the eligible person may appeal the decision as a contested case hearing under chapter 14.

*Subd. 6. [SUBROGATION.] (a) If a person other than a responsible party is paid or reimbursed from the response reimbursement account as a condition of payment or reimbursement, the state is subrogated to the rights of action the person paid or reimbursed has against the responsible party. The commissioner shall collect the amounts from the responsible party and on request of the commissioner the attorney general shall bring an action to enforce the collection.*

(b) Amounts collected under this subdivision must be deposited in the agriculture chemical incident response fund and credited to the response reimbursement account.

**Sec. 5. [REIMBURSEMENT FOR INCIDENTS BEFORE THE EFFECTIVE DATE OF THIS ACT.]**

(a) A responsible party for a pesticide or fertilizer incident which occurred after January 1, 1985, but before June 30, 1989, must be reimbursed for such costs as provided for under section 4, subdivision 4, if the person:

(1) has been issued a response order, remedial action, or other order by the commissioner;

(2) has entered into any response order by consent with the commissioner;

(3) has incurred costs associated with that response; and

(4) qualifies for reimbursement under section 4, subdivision 1.

**Sec. 6. Minnesota Statutes 1988, section 115B.20, is amended to read:**

**115B.20 [ENVIRONMENTAL RESPONSE, COMPENSATION AND COMPLIANCE FUND.]**

**Subdivision 1. [ESTABLISHMENT.] (a)** The environmental response, compensation and compliance fund is created as an account in the state treasury and may be spent only for the purposes provided in subdivision 2.

(b) The commissioner of finance shall administer a response account in the fund for the agency and the commissioner of agriculture to take removal, response, and other actions authorized under subdivision 2, clauses (1) to (4). Money deposited in the fund under subdivision 4, clauses (1) to (4), must be credited to the account. The commissioner of finance shall allocate money from the account to the agency and the commissioner of agriculture to take actions required under subdivision 2, clauses (1) to (4).

(c) The commissioner of finance shall annually determine:

(1) the amount of allocations made to the agency and to the commissioner of agriculture that are not reimbursed and will probably not be reimbursed;

(2) the percentage of nonreimbursed allocations made to the agency that has been paid for by the hazardous waste generator's tax under section

115B.22; and

(3) the amount if the percentage determined under clause (2) were multiplied times the nonreimbursed allocations made to the commissioner of agriculture.

(d) The commissioner of finance must notify the commissioner of agriculture of the amount determined in paragraph (c), clause (3), and the commissioner of agriculture must pay the amount from the incident response account from fees generated from the incident response fee on registration fees for agricultural chemicals under section 3.

(e) The commissioner of finance shall administer the account in a manner that allows the commissioner of agriculture and the agency to utilize the money in the account to implement their removal and remedial action duties as effectively as possible.

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Subject to appropriation by the legislature the money in the fund may be spent for any of the following purposes:

(a) (1) preparation by the agency and the commissioner of agriculture for taking removal or remedial action under section 115B.17, or under chapter 18B or 18D, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18, or chapter 18B or 18D;

(b) (2) removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17, or taken or authorized by the commissioner of agriculture under chapter 18B or 18D including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18B or 18D, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

(c) (3) reimbursement to any private person for expenditures made before July 1, 1983 to provide alternative water supplies deemed necessary by the agency or the commissioner of agriculture and the department of health to protect the public health from contamination resulting from the release of a hazardous substance;

(d) (4) removal and remedial actions taken or authorized by the agency or the commissioner of agriculture or the pollution control agency under section 115B.17, or chapter 18B or 18D, including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18B or 18D, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(e) (5) compensation as provided by law, after submission by the waste management board of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the

siting authority of chapter 115A;

~~(f)~~ (6) planning and implementation by the commissioner of natural resources of the rehabilitation, restoration or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;

~~(g)~~ (7) inspection, monitoring and compliance efforts by the agency, or by political subdivisions with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;

~~(h)~~ (8) grants by the agency or the waste management board to demonstrate alternatives to land disposal of hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;

~~(i)~~ (9) intervention and environmental mediation by the legislative commission on waste management under chapter 115A; and

~~(j)~~ (10) grants by the agency to study the extent of contamination and feasibility of cleanup of hazardous substances and pollutants or contaminants in major waterways of the state.

Subd. 3. [LIMIT ON CERTAIN EXPENDITURES.] The commissioner of *agriculture* or the pollution control agency or the agency may not spend any money under subdivision 2, clause ~~(b)~~ (2) or ~~(d)~~ (4) for removal or remedial actions to the extent that the costs of those actions may be compensated from any fund established under the Federal Superfund Act, United States Code, title 42, section 9600 et seq. The commissioner of *agriculture* or the pollution control agency or the agency shall determine the extent to which any of the costs of those actions may be compensated under the federal act based on the likelihood that the compensation will be available in a timely fashion. In making this determination the commissioner of *agriculture* or the pollution control agency or the agency shall take into account:

~~(a)~~ (1) the urgency of the removal or remedial actions and the priority assigned under the Federal Superfund Act to the release which necessitates those actions;

~~(b)~~ (2) the availability of money in the funds established under the Federal Superfund Act; and

~~(c)~~ (3) the consistency of any compensation for the cost of the proposed actions under the Federal Superfund Act with the national contingency plan, if such a plan has been adopted under that act.

Subd. 4. [REVENUE SOURCES.] Revenue from the following sources shall be deposited in the environmental response, compensation and compliance fund:

~~(a)~~ (1) the proceeds of the taxes imposed pursuant to section 115B.22, including interest and penalties;

~~(b)~~ (2) all money recovered by the state under sections 115B.01 to 115B.18 or under any other statute or rule related to the regulation of hazardous waste or hazardous substances, including civil penalties and money paid under any agreement, stipulation or settlement but excluding fees imposed under section 116.12;

(3) an amount from the agricultural incident response account equivalent



to the amount contributed under clause (1) that is used for removal and remedial actions under subdivision 2, clauses (1) to (4), as provided in subdivision 1, paragraph (d);

(4) recovered by the state under chapter 18B or 18D for removal or remedial actions that are recoverable under this chapter;

(e) (5) all interest attributable to investment of money deposited in the fund; and

(f) (6) all money received in the form of gifts, grants, reimbursement or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Subd. 5. [RECOMMENDATION BY LCWM.] The legislative commission on waste management and the commissioner of agriculture shall make recommendations to the standing legislative committees on finance and appropriations regarding appropriations from the fund.

Subd. 6. [REPORT TO LEGISLATURE.] By November 1, 1984, and each year thereafter, the commissioner of agriculture and the agency shall submit to the senate finance committee, the house appropriations committee and the legislative commission on waste management a report detailing the activities for which money from the environmental response, compensation and compliance fund has been spent during the previous fiscal year.

Sec. 7. [REVIEW OF PRIORITIES LIST.]

The commissioner of agriculture in consultation with the pollution control agency shall review the priorities list under section 115B.17, subdivision 13, and evaluate the appropriateness of the ranking criteria for agricultural chemical releases, and how groundwater in the state is protected from agricultural chemical releases based on the priorities and use of the fund. The commissioner of agriculture shall prepare a report and submit it to the legislature by January 1, 1990.

ARTICLE 10

APPROPRIATION

Section 1. [APPROPRIATION.]

Subdivision 1. [BOARD OF WATER AND SOIL RESOURCES.] \$ . . . . . is appropriated from the general fund to the board of water and soil resources for the following purposes:

(a) Protection of groundwater recharge areas by conservation easements \$ . . . . .

(b) Local water resources protection and management program \$ . . . . .

(c) Well sealing cost share program \$ . . . . .

The complement of the board of water and soil resources is increased by . . . . . positions.

(d) For adoption, administration, and enforcement of shoreland ordinances \$ . . . . .

(e) For development and implementation of comprehensive lake or river management strategies \$ . . . . .

Subd. 2. [COMMISSIONER OF AGRICULTURE.] \$ . . . . . is appropriated from the general fund to the commissioner of agriculture for

*the following purposes:*

- (a) Development and implementation of pesticide management plan* \$ . . . . .
  - (b) Development and adoption of agriculture best management practices for agricultural chemicals and practices* \$ . . . . .
  - (c) Establishment and management of waste pesticide program* \$ . . . . .
  - (d) Sustainable agriculture research and practices* \$ . . . . .
  - (e) Groundwater quality monitoring program* \$ . . . . .
- The complement of the department of agriculture is increased by . . . . . positions.*

*Subd. 3. [COMMISSIONER OF HEALTH.] \$ . . . . . is appropriated from the general fund to the commissioner of health for the following purposes:*

- (a) Adopting long-term risk measurements for pollutants* \$ . . . . .
  - (b) Adoption of guidelines for protection of potable groundwater supplies* \$ . . . . .
  - (c) Development and implementation of wellhead protection program* \$ . . . . .
  - (d) Emergency well sealing* \$ . . . . .
- The complement of the department of health is increased by . . . . . positions.*

*Subd. 4. [COMMISSIONER OF NATURAL RESOURCES.] \$ . . . . . is appropriated from the general fund to the commissioner of natural resources for the following purposes:*

- (a) For developing and publishing geological atlases* \$ . . . . .
- (b) For conducting and preparing maps of subregional hydrogeological surveys* \$ . . . . .

*Subd. 5. [ENVIRONMENTAL QUALITY BOARD.] \$ . . . . . is appropriated from the general fund to the environmental quality board for the following purposes:*

- (a) For designation and adoption of sensitive areas* \$ . . . . .
- (b) For report on statewide research needs and coordination of data* \$ . . . . .

*Subd. 6. [POLLUTION CONTROL AGENCY.] \$ . . . . . is appropriated from the general fund to the pollution control agency for the following purposes:*

- (a) For development of best management practices* \$ . . . . .
  - (b) For clean water partnership grants* \$ . . . . .
- The complement of the pollution control agency is increased by . . . . . positions.*

*Subd. 7. [UNIVERSITY OF MINNESOTA.] \$ . . . . . is appropriated from the general fund to the University of Minnesota for the following*

*purposes:*

*(a) For the Minnesota geological survey for geological atlases and subregional hydrogeological surveys* \$ . . . . .

*(b) For the agricultural experiment station for positions to oversee soil and water extraction processes, to plan and maintain plots, chemical management, herbicides, soil and water, and computer information* \$ . . . . .

*Subd. 8. [RESPONSE REIMBURSEMENT ACCOUNT.] \$ . . . . . is appropriated from the general fund to the response reimbursement account to reimburse incidents occurring after July 1, 1987, and before June 30, 1989, under article 9, section 5."*

Delete the title and insert:

"A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; establishing a legislative commission on water; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating water conservation, water appropriations, and setting fees; establishing regulations, enforcing violations, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 5, 12, 15, 19, 21, 26, 30, and by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 18B.07, subdivisions 2, 3, 4, and 6; 18B.08, subdivisions 1, 3, and 4; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3 and 7; 18B.34, subdivisions 1, 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, 3, and 4; 40.42, by adding a subdivision; 40.43, subdivisions 2 and 6; 105.41, subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 105.418; 110B.04, subdivision 6; 115B.20; 116C.41, subdivision 1; 144.381; 144.382, subdivision 1, and by adding a subdivision; and 473.877, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 18E; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.15; 18B.16; 18B.18; 18B.19; 18B.20; 18B.21; 18B.22; 18B.23; 18B.25; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 1099: A bill for an act relating to public safety; establishing emergency planning and community right-to-know requirements; requiring reports on hazardous substances and chemicals; creating an emergency response commission; establishing the hazardous materials incident response

advisory council; providing penalties; appropriating money; amending Minnesota Statutes 1988, section 609.671, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 299K.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, after line 23, insert:

“Sec. 13. Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

*Subd. 10. [FAILURE TO REPORT A RELEASE OF A HAZARDOUS SUBSTANCE OR AN EXTREMELY HAZARDOUS SUBSTANCE.] (a) A person is guilty of a felony who:*

*(1) is required to provide immediate notice of the release of a reportable quantity of a hazardous substance or an extremely hazardous substance at a facility under sections 7 and 8; and*

*(2) knowingly fails to provide the immediate notice.*

*Notice is not required if the release results in exposure only to persons within the site on which the facility is located, or the release is specifically authorized by state law. The notice must be given to the state emergency response center or to a firefighting or law enforcement organization.*

*(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$25,000, or both. For a second or subsequent conviction under this subdivision, the violator may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$50,000, or both.*

*(c) For purposes of this subdivision, a “hazardous substance” means a substance on the list established under United States Code, title 42, section 9602.*

*(d) For purposes of this subdivision, an “extremely hazardous substance” means a substance on the list established under United States Code, title 42, section 11002.*

*(e) For purposes of this subdivision, a “reportable quantity” means a quantity that must be reported under United States Code, title 42, section 9602 or 11002.”*

Page 12, delete section 16

Page 12, after line 25, insert:

“Sec. 18. [EFFECTIVE DATE.]

*Section 13 is effective August 1, 1989, and applies to crimes committed on or after that date.”*

Renumber the sections in sequence

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. 703, 1331, 1341, 1034, 572, 1040, 476, 1235, 847, 1303, 762, 180, 1355, 296, 1359, 846, 1241 and 1133 were read the second

time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 966, 553 and 489 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Mr. Lessard be added as a co-author to S.F. No. 223. The motion prevailed.

Mr. Berg moved that the name of Mr. Davis be added as a co-author to S.F. No. 281. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 572. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 1371. The motion prevailed.

Mr. McGowan moved that the names of Mrs. Adkins and Mr. Schmitz be added as co-authors to S.F. No. 1498. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 99: A Senate resolution encouraging the efforts of the volunteers working for a Minnesota Vietnam Veterans Memorial.

Referred to the Committee on Rules and Administration.

Mr. DeCramer introduced—

Senate Resolution No. 100: A Senate resolution congratulating the Pipestone High School Boys Basketball Team for winning the 1989 State High School Class A Consolation Championship.

Referred to the Committee on Rules and Administration.

Mr. Peterson, R.W. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1032. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1456. The motion prevailed.

Mr. Marty moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1479. The motion prevailed.

Mr. Pogemiller moved that S.F. No. 364 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Education. The motion prevailed.

Messrs. Merriam; Dahl; Frank; Peterson, R.W. and Novak introduced—

Senate Resolution No. 101: A Senate resolution commending the dedicated service of correctional officers and recognizing Minnesota Correctional Officers Week, May 7 to 13, 1989.

Referred to the Committee on Rules and Administration.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Mr. Dahl introduced—

S.F. No. 1499: A bill for an act relating to consumer protection; regulating certain rental-purchase agreements; prescribing the rights and duties of all parties; requiring disclosures; regulating advertising; providing remedies; amending Minnesota Statutes 1988, sections 325G.06, subdivision 2; 325G.12, subdivision 2; and 325G.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 325F

Referred to the Committee on Commerce.

Messrs. Schmitz, Diessner, Mrs. Lantry and Mr. Bernhagen introduced—

S.F. No. 1500: A bill for an act relating to taxation; property tax refund; providing a refund for property tax increases of over 20 percent from taxes payable in 1988 to taxes payable in 1990; amending Minnesota Statutes 1988, section 290A.04, subdivision 2h.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 1501: A bill for an act relating to state lands; permitting land exchange in Benton county.

Referred to the Committee on Environment and Natural Resources.

Mr. Bertram introduced—

S.F. No. 1502: A bill for an act relating to game and fish; regulating the time when fish houses may be on the ice; amending Minnesota Statutes 1988, section 97C.355, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

Mrs. McQuaid, Messrs. Storm and Knutson introduced—

S.F. No. 1503: A bill for an act relating to education; providing for cost of living differential revenue; appropriating money; amending Minnesota Statutes 1988, section 124A.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Ms. Piper and Mr. Frank introduced—

S.F. No. 1504: A bill for an act relating to occupational safety and health; requiring employer payment for vaccinations, immunizations, and medical examinations; amending Minnesota Statutes 1988, section 182.655, subdivision 10a.

Referred to the Committee on Employment.

Ms. Piper introduced—

S.F. No. 1505: A bill for an act relating to the city of Austin; providing for the service of the police and fire chiefs.

Referred to the Committee on Governmental Operations.

Messrs. Bertram and Anderson introduced—

S.F. No. 1506: A bill for an act relating to taxation; sales; repealing the additional tax on liquor; repealing Minnesota Statutes 1988, sections 297A.02, subdivision 3; and 297A.27, subdivision 1a.

Referred to the Committee on Taxes and Tax Laws.

Ms. Reichgott, Mrs. Lantry, Ms. Piper, Messrs. Knutson and Solon introduced—

S.F. No. 1507: A bill for an act relating to occupations and professions regulating the use of medical devices by the board of pharmacy; amending Minnesota Statutes 1988, sections 151.01, subdivisions 3, 11, and by adding a subdivision; 151.06, subdivision 1; 151.13, subdivision 1; 151.19, subdivision 3; and 151.34.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 1508: A bill for an act relating to historical preservation; directing an archaeological site assessment and tourism study of the Fond du Lac area; appropriating funds.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Peterson, R.W. introduced—

S.F. No. 1509: A bill for an act relating to education; simplifying the high school league's audit requirements; amending Minnesota Statutes 1988, section 129.121, subdivision 2.

Referred to the Committee on Education.

Mr. Frederickson, D.J. introduced—

S.F. No. 1510: A bill for an act relating to local planning and zoning; providing for the administration of land use controls; defining authority of local government units; providing for procedures and records; providing penalties; amending Minnesota Statutes 1988, section 473.858, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 465A; repealing Minnesota Statutes 1988, sections 394.21 to 394.37; and 462.351 to 462.364.

Referred to the Committee on Local and Urban Government.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1511: A bill for an act relating to state government; providing for deficiencies in and supplementing appropriations for the expenses of state government; setting filing fees for mental health service providers;

authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 1988, section 148B.42, by adding a subdivision.

Under the rules of the Senate, laid over one day.

Mr. Samuelson introduced—

S.F. No. 1512: A bill for an act relating to appropriations; appropriating money for a grant to the city of Baxter for a sewer interceptor line.

Referred to the Committee on Finance.

Messrs. Samuelson and Bertram introduced—

S.F. No. 1513: A bill for an act relating to veterans; designating certain state land in Morrison county as the state veterans memorial park; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

Mrs. Pariseau introduced—

S.F. No. 1514: A bill for an act relating to retirement; volunteer firefighters; excluding volunteer firefighters serving with the Hastings fire department from the definition of public employee.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1515: A bill for an act relating to tourism; appropriating money for the Cloquet tourist information center.

Referred to the Committee on Economic Development and Housing.

Messrs. Spear; Moe, R.D.; Luther and Benson introduced—

S.F. No. 1516: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1988, section 124.43, subdivision 1, as amended.

Referred to the Committee on Rules and Administration.

Messrs. Stumpf; Johnson, D.J.; Ms. Piper, Messrs. Berg and Langseth introduced—

S.F. No. 1517: A bill for an act relating to taxation; sales; phasing out the accelerated June sales tax payment; amending Minnesota Statutes 1988, section 297A.275; repealing Minnesota Statutes 1988, section 297A.275.

Referred to the Committee on Taxes and Tax Laws.

Mrs. McQuaid, Ms. Olson, Messrs. Ramstad and Mehrkens introduced—

S.F. No. 1518: A bill for an act relating to education; lowering the general education levy; repealing levy equity; amending Minnesota Statutes 1988, section 124A.23, subdivisions 1 and 3; repealing Minnesota Statutes 1988,



section 124A.24.

Referred to the Committee on Education.

Mr. Knaak introduced—

S.F. No. 1519: A bill for an act relating to retirement; volunteer firefighters; excluding volunteer firefighters serving with the White Bear Lake fire department from the definition of public employee.

Referred to the Committee on Governmental Operations.

Mrs. Lantry introduced—

S.F. No. 1520: A bill for an act relating to human services; creating a technology assistance review panel; requiring a study of the feasibility of developing a shared risk pool for technology-assisted persons; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. DeCramer introduced—

S.F. No. 1521: A bill for an act relating to education; allowing the state university board to pay a housing allowance to university presidents; amending Minnesota Statutes 1988, section 136.065.

Referred to the Committee on Education.

Messrs. Ramstad and Benson introduced—

S.F. No. 1522: A bill for an act relating to insurance; no-fault auto; regulating uninsured motorist coverage; amending Minnesota Statutes 1988, section 65B.43, subdivision 18.

Referred to the Committee on Commerce.

Messrs. Benson, Ramstad and Knutson introduced—

S.F. No. 1523: A bill for an act relating to transit; eliminating certain preconditions to regional transit board contracts with recipients of transit assistance; repealing Minnesota Statutes 1988, section 473.384, subdivision 7.

Referred to the Committee on Transportation.

Messrs. Davis; Morse; DeCramer; Frederickson, D.J. and Beckman introduced—

S.F. No. 1524: A bill for an act relating to agriculture; establishing a board of directors of the agricultural utilization research institute; allocating certain amounts of the greater Minnesota fund for agriculture-related uses; amending Minnesota Statutes 1988, sections 116O.09, subdivisions 1, 2, and by adding a subdivision; and 116O.12.

Referred to the Committee on Agriculture and Rural Development.

Mr. Bertram introduced—

S.F. No. 1525: A bill for an act relating to retirement; amending the definition of income which may be earned without penalty upon resumption of teaching; amending Minnesota Statutes 1988, section 354.44, subdivision 5.

Referred to the Committee on Governmental Operations.

Messrs. Kroening; Solon; Ramstad; Frederickson, D.R. and Frederickson, D.J. introduced—

S.F. No. 1526: A bill for an act relating to retirement; governmental employees in general; establishing a normal retirement age of 65 years; changing contribution rates; lowering minimum service periods required for annuities and disability benefits; applying a uniform percentage to all years of service; adopting a rule of 90; altering reductions for early retirement; increasing rates of interest on refunds; increasing interest assumptions; extending the date for full funding; granting authority for certain bylaw amendments; amending Minnesota Statutes 1988, sections 352.01, subdivision 19, and by adding a subdivision; 352.04, subdivisions 2 and 3; 352.113, subdivisions 1 and 12; 352.115, subdivisions 1, 2, and 3; 352.116, subdivisions 1, 2, 4, and by adding a subdivision; 352.12, subdivisions 1, 2, and 6; 352.22, subdivisions 2 and 3; 352.72, subdivisions 1, 2, and 5; 352.85, subdivision 1; 352.93, subdivisions 1 and 3; 352.95, subdivisions 2 and 5; 352B.01, subdivision 11; 352B.08, subdivision 1; 352B.11, subdivisions 1 and 2; 352B.30, subdivision 1; 353.01, by adding a subdivision; 353.27, subdivision 2; 353.29, subdivisions 1, 2, and 3; 353.30, subdivisions 1, 1a, 1b, 1c, and by adding a subdivision; 353.32, subdivisions 1 and 1a; 353.33, subdivisions 1, 3, and 11; 353.34, subdivisions 2, 3, and 3a; 353.651, subdivisions 1 and 2; 353.657, subdivision 2a; 353.71, subdivisions 1, 2, and 5; 353C.06, subdivisions 1, 2, and 4; 353C.08, subdivision 5; 354.05, by adding a subdivision; 354.35; 354.41, subdivision 3; 354.42, subdivisions 2 and 3; 354.44, subdivisions 1, 1a, 6, and 7; 354.46, subdivision 2; 354.47, subdivision 1; 354.48, subdivisions 1, 3, and 10; 354.49, subdivisions 2 and 3; 354.55, subdivision 11; 354.60; 354A.011, subdivision 20, and by adding a subdivision; 354A.12, subdivisions 1 and 2; 354A.21; 354A.31, subdivisions 1, 4, 5, 6, and by adding a subdivision; 354A.35, subdivisions 1 and 2; 354A.36, subdivisions 1, 3, and 10; 354A.37, subdivisions 2, 3, and 4; 354A.39; 356.215, subdivisions 4d and 4g; 356.30, subdivision 1; and 356.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1988, section 354A.32, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Moe, R.D.; Frank and Davis introduced—

S.F. No. 1527: A bill for an act relating to economic development; clarifying the powers and duties of the Greater Minnesota Corporation; expanding auditing and reporting requirements; amending Minnesota Statutes 1988, sections 116O.02, by adding a subdivision; 116O.03, subdivision 1, and by adding a subdivision; 116O.04, by adding a subdivision; 116O.05; 116O.06, subdivisions 1 and 5; 116O.08, subdivision 2; 116O.12; 116O.14; and 116O.15.

Referred to the Committee on Economic Development and Housing.

Mr. Moe, R.D. introduced—

S.F. No. 1528: A bill for an act relating to agriculture; providing assistance for establishing a barley research and promotion council; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Storm, Knutson and McGowan introduced—

S.F. No. 1529: A bill for an act relating to human services; requiring applicants for general assistance, general assistance medical care, and work readiness to have a Minnesota driver's license or identification card; proposing coding for new law in Minnesota Statutes, chapter 256D.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 1530: A bill for an act relating to capital improvements; appropriating money for improvements at the Long Lake Conservation Center; authorizing the sale of state bonds.

Referred to the Committee on Finance.

Mr. Chmielewski introduced—

S.F. No. 1531: A bill for an act relating to capital improvements; appropriating money to build an environmental learning center in the Kettle River-Sandstone area; authorizing the issuance and sale of state bonds.

Referred to the Committee on Finance.

Mr. Freeman, Ms. Reichgott, Messrs. Pogemiller, Belanger and Frank introduced—

S.F. No. 1532: A bill for an act relating to surplus United States government property; directing the commissioner of natural resources to seek acquisition of certain surplus property of the United States government; directing the commissioner to lease the property to a nonprofit organization for development as housing for certain homeless veterans and their families.

Referred to the Committee on Economic Development and Housing.

Messrs. Freeman, Pogemiller, Frank and Belanger introduced—

S.F. No. 1533: A resolution memorializing the President, Congress, and the director of the United States General Services Administration to arrange for prompt lease of certain surplus United States government properties to a nonprofit organization for use as housing for homeless, near homeless, and displaced veterans and their families.

Referred to the Committee on Economic Development and Housing.

Mr. Stumpf introduced—

S.F. No. 1534: A bill for an act relating to education; authorizing a special capital loan for independent school district No. 682, Roseau.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1535: A bill for an act relating to agriculture; providing grants to pay a portion of the cost of certain federal crop insurance; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Beckman introduced—

S.F. No. 1536: A bill for an act relating to education; providing for stable natural gas supply to schools; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

Messrs. Knaak and Benson introduced—

S.F. No. 1537: A bill for an act relating to local government; providing procedures for the conduct of certain detachments and annexations; amending Minnesota Statutes 1988, section 414.061, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 414.

Referred to the Committee on Local and Urban Government.

Messrs. Taylor and Decker introduced—

S.F. No. 1538: A bill for an act relating to traffic safety; authorizing the commissioner of public safety to establish a model victim panel program for first time DWI offenders; authorizing the commissioner to award a grant-in-aid to a volunteer citizen organization to administer the program; appropriating money; amending Minnesota Statutes 1988, section 169.121, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Judiciary.

Mr. Schmitz introduced—

S.F. No. 1539: A bill for an act relating to metropolitan government; providing for the composition of the metropolitan airports commission; amending Minnesota Statutes 1988, section 473.604, subdivision 1.

Referred to the Committee on Local and Urban Government.

Mr. Chmielewski introduced—

S.F. No. 1540: A bill for an act relating to crimes; enhancing penalties for theft and receiving stolen property offenses when the property stolen is a firearm; amending Minnesota Statutes 1988, sections 609.52, subdivision 3; and 609.53, subdivision 1.

Referred to the Committee on Judiciary.

## ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 13, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTY-FIRST DAY

St. Paul, Minnesota, Thursday, April 13, 1989

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, Ms. Maxine Anderson.

The roll was called, and the following Senators answered to their names:

Adkins	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Knaak	Meizen	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. Anderson 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 Files, herewith returned: S.F. Nos. 112, 699, 382, 390 and 831.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1989

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. 163: A bill for an act relating to traffic regulations; regulating U-turns; providing for color and equipment requirements on school buses carrying ten or more persons; establishing conditions under which school bus drivers must activate flashing amber lights; providing for bumper requirements on private passenger vehicles; amending Minnesota Statutes 1988, sections 169.19, subdivision 2; 169.44, subdivisions 1a and 2; and 169.73.

Senate File No. 163 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1989

Mr. Frank moved that S.F. No. 163 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. 916: A bill for an act relating to consumer protection; regulating landscape application contracts; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Senate File No. 916 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1989

### CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 916 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 916 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	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	Solon
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pariseau	Storm
Brandl	Frederickson, D.R.	Lessard	Pehler	Stumpf
Brataas	Freeman	Marty	Peterson, D.C.	Taylor
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Vickerman
Cohen	Hughes	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	

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. 1444: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding.

Senate File No. 1444 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1989

Mr. Moe, R.D. moved that S.F. No. 1444 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. 593, 956, 895, 1287, 1447, 1517, 627, 945, 951, 1155, 989, 1014, 1117 and 1586.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 12, 1989

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 593: A bill for an act relating to occupations and professions; providing for a uniform electrical violation ticket; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 521, now on General Orders.

H.F. No. 956: A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 960.

H.F. No. 895: A bill for an act relating to state lands; authorizing the commissioner of transportation to convey certain surplus property to Stevens county for other than public purposes; authorizing the county to sell the property for other than public purposes through a public sale.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 710, now on General Orders.

H.F. No. 1287: A bill for an act relating to commerce; securities; exempting nonissuer sales of securities issued by the state, its subdivisions, or instrumentalities from regulation; amending Minnesota Statutes 1988, section 80A.15, subdivision 2.

Referred to the Committee on Commerce.

H.F. No. 1447: A bill for an act relating to motor vehicles; defining the effect of certain leases; amending Minnesota Statutes 1988, section 168A.17, by adding a subdivision.

Referred to the Committee on Commerce.

H.F. No. 1517: A bill for an act relating to local government; authorizing the city of St. Louis Park to change the name of the housing and redevelopment authority; permitting the recording of certain deeds.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1373.

H.F. No. 627: A bill for an act relating to motor carriers; exempting rear-end dump trucks operated by private agricultural carriers between point of production and point of processing from requirements for rear-end protection; amending Minnesota Statutes 1988, section 221.031, subdivision 2a.

Referred to the Committee on Transportation.

H.F. No. 945: A bill for an act relating to public employment; modifying the prohibition against bargaining certain retirement contributions; amending Minnesota Statutes 1988, sections 179A.03, subdivision 19; 356.24; and 471.616, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 951: A bill for an act relating to utilities; providing for the establishment of competitive electric utility rates for certain customers subject to effective competition; authorizing public utilities commission to require utility to initiate rate proceeding under limited circumstances; removing repealer of laws providing for establishment of flexible gas utility rates for certain customers subject to effective competition; amending Minnesota Statutes 1988, sections 216B.045, subdivision 5; and 216B.17, subdivision 6, and by adding a subdivision; Laws 1987, chapter 371, section 4; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1988, section 216B.17, subdivisions 2, 3, 4, and 5.

Referred to the Committee on Public Utilities and Energy.

H.F. No. 1155: A bill for an act relating to insurance; life and health;



regulating policy and contract provisions, coverages, certain cost-containment mechanisms, cancellations and nonrenewals, trade and marketing practices, and remedies in these and other lines; making technical changes; amending Minnesota Statutes 1988, sections 45.025, subdivision 8; 45.027, subdivision 7; 45.028, subdivision 1; 61A.011, subdivision 1; 61A.092, subdivision 3; 61B.03, subdivision 6; 62A.01; 62A.041; 62A.08; 62A.09; 62A.15, subdivision 3a; 62A.17, subdivision 2; 62A.46, by adding a subdivision; 62A.48, subdivision 1; 62B.01; 62B.04, subdivision 1; 62D.12, by adding a subdivision; 62E.06, subdivision 1; 72A.20, subdivision 15, and by adding subdivisions; 72A.325; and 149.11; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 65A; and 72A; repealing Minnesota Statutes 1988, sections 60A.23, subdivision 7; and 72A.13, subdivision 2.

Referred to the Committee on Commerce.

H.F. No. 989: A bill for an act relating to trade practices; providing for payment to farm implement retailer by the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1988, section 325E.06, subdivisions 1, 4, and 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1071, now on General Orders.

H.F. No. 1014: A bill for an act relating to mechanics' liens; allowing owner to request statement of actual charges; requiring subcontractor to make good faith estimate of charges; amending Minnesota Statutes 1988, section 514.011, subdivision 2.

Referred to the Committee on Judiciary.

H.F. No. 1117: A bill for an act relating to occupations and professions; regulating the practice of accountancy; creating standards of care; amending Minnesota Statutes 1988, sections 326.165; 326.20, subdivision 1; 326.211, subdivision 6; and 326.212, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Judiciary.

H.F. No. 1586: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding; providing for an arbitration award.

Mr. Moe, R.D. moved that H.F. No. 1586 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. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1184: A bill for an act relating to probate; modifying provisions for the award of sentimental property and family allowances; amending Minnesota Statutes 1988, sections 525.151; and 525.152.

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. 1001: A bill for an act relating to the community dispute resolution program; giving the state planning agency joint responsibility with the state court administrator's office for administration of the program; establishing eligibility criteria for grant recipients; appropriating money; amending Minnesota Statutes 1988, sections 494.01, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 494; repealing Minnesota Statutes 1988, sections 494.01, subdivisions 3, 4, and 5; and 494.04.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1483: A bill for an act relating to courts; authorizing use of alternative dispute resolution statewide; authorizing the court to order binding alternative dispute resolution with a right to appeal; amending Minnesota Statutes 1988, section 484.74, subdivisions 1, 2, 3, and by adding a subdivision; repealing Minnesota Statutes 1988, section 484.74, 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. 1175: A bill for an act relating to education; updating the language and procedures with respect to certain state university bonding authority; amending Minnesota Statutes 1988, section 136.31, subdivisions 3 and 5.

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. 1321: A bill for an act relating to education; allowing a school board to compel attendance of enrolled pupils under the age of seven; making conforming changes; amending Minnesota Statutes 1988, sections 120.101, subdivision 5, and by adding a subdivision; and 127.20.

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. 1043: A bill for an act relating to natural resources; authorizing a grant to the Red Lake watershed district, Clearwater county, to construct an improved and enlarged lake on Walker Brook; authorizing the sale of state bonds; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "*grant*" and insert "*loan*"

Page 1, lines 13 and 15, delete "*Grant*" and insert "*Loan*"

Page 2, delete lines 7 to 13

Page 2, line 14, delete "(d)" and insert "(c)" and delete "grant" and insert "loan"

Page 2, line 16, before "The" insert "(a)" and delete "may" and insert "shall"

Page 2, line 17, delete "all or any part of" and after "costs" insert "for which the district is liable under this section"

Page 2, line 19, delete "shall" and insert "may" and delete "indefinitely" and before "assessment" insert "collection of the levy for the"

Page 2, line 21, before the period, insert ". whichever occurs first"

Page 2, after line 21, insert:

*"(b) The Red Lake watershed district shall, in accordance with Minnesota Statutes, chapter 112, appoint appraisers who will view the project and assign appropriate benefits. The Red Lake watershed district shall then prepare a deferred assessment roll reflecting what the benefits will be when the deferred assessments are paid. The assessments, when paid to the Red Lake watershed district, must be forwarded to the commissioner of natural resources, who shall deposit them in the state treasury and credit them to the state bond fund, unless otherwise directed by law."*

Amend the title as follows:

Page 1, line 2, delete "grant" and insert "loan"

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. 997: A bill for an act relating to the environment; authorizing the pollution control agency to assist persons in reviewing real property for petroleum tank releases and to be paid for such assistance; authorizing expenditures from the petroleum tank release compensation fund; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; requiring notification by owners of aboveground tanks; amending Minnesota Statutes 1988, sections 115C.03, by adding a subdivision; 115C.08, subdivision 4; 115C.09; and 116.48.

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 1988, section 115C.03, is amended by adding a subdivision to read:

*Subd. 9. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner may, upon request:*

*(1) assist in determining whether a release has occurred; and*

*(2) assist in or supervise the development and implementation of reasonable and necessary response actions.*

*(b) Assistance may include review of agency records and files and review*

*and approval of a requester's investigation plans and reports and corrective action plans and implementation.*

*(c) 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 subdivision must be deposited in the state treasury and credited to the fund.*

Sec. 2. Minnesota Statutes 1988, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in sections 115C.03 to 115C.10;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04; ~~and~~

(4) for training, certification, and rulemaking under sections 116.46 to 116.50-; *and*

*(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks.*

Sec. 3. Minnesota Statutes 1988, section 115C.09, is amended to read:

115C.09 [~~CORRECTIVE ACTION~~ REIMBURSEMENT TO RESPONSIBLE AND OTHER PERSONS.]

Subdivision 1. [REIMBURSABLE ~~CORRECTIVE ACTIONS COSTS.~~]

*(a) The board shall provide partial reimbursement for the cost of corrective action to eligible responsible persons for reimbursable costs incurred after June 4, 1987.*

*(b) The following costs shall be considered reimbursable for purposes of this section:*

*(1) corrective action costs incurred by the responsible person; and*

*(2) costs that the responsible person is legally obligated to pay as damages to third parties for bodily injury or property damage caused by a release if the responsible person's liability for the costs has been established by a court order or a consent decree.*

*(c) A cost for liability to a third party is considered to be incurred by the responsible person when an order or consent decree establishing the liability is entered. Except as provided in this paragraph, reimbursement may not be made for costs of liability to third parties until all eligible corrective action costs have been reimbursed. If a corrective action is expected to continue in operation for more than one year after it has been fully constructed or installed, the board may estimate the future expense of completing the corrective action and, after subtracting this estimate from the total reimbursement available under subdivision 3, reimburse the costs for liability to third parties. The total reimbursement may not exceed the limit set forth in subdivision 3.*

Subd. 2. [RESPONSIBLE PERSON ELIGIBILITY.] (a) A responsible person who has ~~taken corrective action and~~ incurred reimbursable costs after June 4, 1987, in response to a release, may apply to the board for partial reimbursement under subdivision 3 and rules adopted by the board. *The board may consider applications for reimbursement after the commissioner has approved a design for corrective action that the commissioner determines will adequately address the release. The board may also consider applications when the corrective action has been fully constructed or installed and periodically afterward as the corrective action continues operation.*

(b) A reimbursement may not be made unless the board determines that:

(1) the commissioner has determined that the corrective action has, or when completed will have, adequately addressed the release ~~and that the release no longer poses a threat to public health and welfare or the environment;~~ in terms of public health, welfare, and the environment.

(c) The board shall reduce the amount of reimbursement to be made under this section if it finds that the responsible person has not complied with one or more of the following requirements:

(1) at the time of the release the tank was in substantial compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;

(2) the agency was given notice of the release as required by section 115.061;

(3) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(4) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory control procedures.

(d) *The reimbursement shall be reduced as much as 100 percent for failure by the responsible person to comply with the requirements in paragraph (c), clauses (1) to (4). In determining the amount of the reimbursement reduction, the board shall consider:*

(1) *the likely environmental impact of the noncompliance;*

(2) *whether the noncompliance was negligent, knowing, or willful;*

(3) *the deterrent effect of the award reduction on other tank owners and operators; and*

(4) *the amount of reimbursement reduction recommended by the commissioner.*

Subd. 3. [REIMBURSEMENT.] (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the fund for ~~75~~ 90 percent of the portion of the total ~~corrective action~~ reimbursable costs ~~greater than \$10,000 and less than \$100,000~~ \$250,000. *Not more than \$250,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement.*

(b) A reimbursement may not be made from the fund under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) Money in the fund is appropriated to the board to make reimbursements under this section.

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 commissioner made under this chapter;

(2) the commissioner 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.

Subd. 3b. [VOLUNTEER ELIGIBILITY.] (a) Notwithstanding subdivisions 1 to 3, a person may apply to the board for partial reimbursement under subdivision 3 who:

(1) is not a responsible person under section 115C.02;

(2) holds legal or equitable title to the property where a release occurred; and

(3) incurs reimbursable costs on or after the effective date of this subdivision.

(b) A person eligible for reimbursement under this subdivision must, to the maximum extent possible, comply with the same conditions and requirements of reimbursement as those imposed by this section on a responsible person.

(c) The board may reduce the reimbursement to a person eligible under this subdivision if the person acquired legal or equitable title to the property from a responsible person who failed to comply with the provisions of subdivision 2, paragraph (c).

Subd. 4. [REIMBURSEMENT DOES NOT AFFECT OTHER LIABILITY.] The right to apply for reimbursement and the receipt of reimbursement does not limit the liability of a responsible person for damages or costs incurred by a person or the state as a result of a release.

Subd. 5. [RETURN OF REIMBURSEMENT.] (a) The board may demand the complete or partial return of any reimbursement made under this section if the responsible person:

(1) misrepresents or omits a fact relevant to a determination made by the board or the commissioner under this section; or

(2) fails to complete corrective action that the commissioner determined at the time of the reimbursement to be necessary to adequately address the release.

(b) If a reimbursement under this subdivision is not returned upon demand by the board, the board may recover the reimbursement, with administrative and legal expenses, in a civil action in district court brought by the attorney general against the responsible person. If the board's demand for return of the reimbursement is based on willful actions of the responsible person, the responsible person shall also forfeit and pay to the state a civil penalty, in an amount to be determined by the court, of not more than the full amount of the reimbursement.

Sec. 4. Minnesota Statutes 1988, section 116.48, is amended to read:  
116.48 [NOTIFICATION REQUIREMENTS.]

Subdivision 1. [TANK STATUS.] *(a)* An owner of an underground storage tank must notify the agency by June 1, 1986, or within 30 days after installation, whichever is later, of the tank's existence and specify the age, size, type, location, uses, and contents of the tank on forms prescribed by the agency.

*(b)* An owner of an aboveground storage tank must notify the agency by June 1, 1990, or within 30 days after installation, whichever is later, of the tank's existence and specify the age, size, type, location, uses, and contents of the tank on forms prescribed by the agency.

Subd. 2. [ABANDONED TANKS.] An owner of an underground or aboveground storage tank permanently taken out of service on or after January 1, 1974, must notify the agency by June 1, 1986, *in the case of underground storage tanks; by June 1, 1990, in the case of aboveground storage tanks; or, in either case, within 30 days of discovery, whichever is later*, of the existence of the tank and specify or estimate to the best of the owner's knowledge on forms prescribed by the agency, the date the tank was taken out of service, the age, size, type, and location of the tank, and the type and quantity of substance remaining in the tank.

Subd. 3. [CHANGE IN STATUS.] An owner must notify the agency within 30 days of a permanent removal from service or a change in the reported uses, contents, or ownership of ~~the~~ *an underground or aboveground storage tank*.

Subd. 4. [DEPOSIT INFORMATION.] Beginning on January 1, 1986, and until July 1, 1987, a person who transfers the title to regulated substances to be placed directly into an underground storage tank must inform the owner or operator in writing of the notification requirement of this section.

Subd. 5. [SELLER'S RESPONSIBILITY.] A person who sells a tank intended to be used as an underground *or aboveground* storage tank or property that the seller knows contains an underground *or aboveground* storage tank must inform the purchaser in writing of the owner's notification requirements of this section.

Subd. 6. [AFFIDAVIT.] Before transferring ownership of property that the owner knows contains an underground *or aboveground* storage tank or contained an underground *or aboveground* storage tank that had a release for which no corrective action was taken, the owner shall record with the county recorder or registrar of titles of the county in which the property is located an affidavit containing:

- (1) a legal description of the property where the tank is located;
- (2) a description of the tank, of the location of the tank, and of any known release from the tank of a regulated substance;
- (3) a description of any restrictions currently in force on the use of the property resulting from any release; and
- (4) the name of the owner.

The county recorder shall record the affidavits in a manner that will insure their disclosure in the ordinary course of a title search of the subject

property. Before transferring ownership of property that the owner knows contains an underground *or aboveground* storage tank, the owner shall deliver to the purchaser a copy of the affidavit and any additional information necessary to make the facts in the affidavit accurate as of the date of transfer of ownership.

Subd. 7. [RECORDING OF REMOVAL AFFIDAVIT.] If an affidavit has been recorded under subdivision 6 and the tank and any regulated substance released from the tank have been removed from the property in accordance with applicable law, the owner or other interested party may file with the county recorder or registrar of titles an affidavit stating the name of the owner, the legal description of the property, the place and date of filing and document number of the affidavit filed under subdivision 6, and the approximate date of removal of the tank and regulated substance. Upon filing the affidavit described in this subdivision, the affidavit and the affidavit filed under subdivision 6, together with the information set forth in the affidavits, cease to constitute either actual or constructive notice.

Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 4 are 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. 895: A bill for an act relating to conservation; changing certain responsibilities; defining certain terms; adopting eligibility criteria; changing agreement terms and payment procedures; providing for enforcement; authorizing sale of certain bonds; appropriating money; amending Minnesota Statutes 1988, sections 40.42; 40.43; 40.44; and 40.45.

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 1988, section 40.42, is amended to read:  
40.42 [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 40.42 to 40.45.

Subd. 2. [~~COMMISSIONER BOARD.~~] "~~Commissioner~~" means the ~~commissioner of agriculture~~ "Board" means the board of water and soil resources.

Subd. 3. [CONSERVATION EASEMENT.] "Conservation easement" means a conservation easement as defined in section 84C.01.

Subd. 4. [CONSERVATION RESERVE PROGRAM.] "Conservation reserve program" means the program established under section 40.43.

Subd. 5. [DRAINED WETLAND.] "*Drained wetland*" means a former natural wetland that has been altered by draining, dredging, filling, leveling, or other manipulation sufficient to render the land suitable for agricultural crop production. The alteration must have occurred before December 23, 1985, and must be a legal alteration as determined by the



*commissioner of natural resources.*

Subd. 6. [LANDOWNER.] "Landowner" means individuals, *estates and testamentary trusts*, family farms, *family farm partnerships, authorized farm partnerships*, family farm corporations as defined under section 500.24, subdivision 2, paragraph (c), and, authorized farm corporations as defined under section 500.24, subdivision 2, paragraph (d), which either own eligible land or are purchasing eligible land under a contract for deed.

Subd. 6 7. [MARGINAL AGRICULTURAL LAND.] "Marginal agricultural land" means land that is: (1) composed of class IIIe, IVe, V, VI, VII, or VIII land as identified in the land capability classification system of the United States Department of Agriculture; or (2) similar to land described under (1) and identified under a land classification system selected by the ~~commissioner~~ board.

Subd. 8. [PUBLIC WATERS.] "*Public waters*" means waters and wetlands as defined in section 105.37 and inventoried under section 105.391.

Subd. 9. [SENSITIVE GROUNDWATER AREA.] "*Sensitive groundwater area*" means a geographic area defined by natural features where the groundwater is at significant risk of contamination from activities conducted at or near the land surface.

Subd. 7 10. [WETLAND.] "Wetland" means land that has a predominance of hydric soils and that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, or that periodically does support, a predominance of hydrophytic vegetation typically adapted for life in saturated soil conditions.

Subd. 8 11. [WINDBREAK.] "Windbreak" means a strip or belt of trees, shrubs, or grass barriers at least six rows deep and within 300 feet of the right-of-way of a highway.

Sec. 2. Minnesota Statutes 1988, section 40.43, is amended to read:

40.43 [CONSERVATION RESERVE PROGRAM.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The *board, in consultation with the commissioner of agriculture, in consultation with and the commissioner of natural resources*, shall establish and administer a conservation reserve program. The ~~commissioner of agriculture shall contract with the board of water and soil resources to~~ shall implement sections 40.40 to 40.44. Selection of land for the conservation reserve program must be based on its potential for fish and wildlife production, reducing erosion, and protecting water quality.

Subd. 2. [ELIGIBLE LAND.] (a) Land may be placed in the conservation reserve program if the land *meets the requirements of paragraphs (b) and (c)*.

(b) *Land is eligible if the land:*

- (1) is marginal agricultural land; ~~or;~~
- (2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description; ~~or;~~
- (3) consists of a drained wetland; ~~or;~~
- (4) is land that with a windbreak would be beneficial to resource protection;

(5) *is cropland in a sensitive groundwater area;*

(6) *is cropland adjacent to public waters;*

(7) *is cropland adjacent to ~~the~~ restored wetland ~~may also be enrolled~~ wetlands to the extent of up to four acres of cropland for each acre of wetland restored;*

(8) *is a woodlot on agricultural land; or*

(9) *is an abandoned building site on agricultural land.*

(c) *Eligible land under paragraph (a) must:*

~~(2) was~~ (1) *have been owned by the landowner on January 1, 1985, or was be 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~~ (2) *be at least five acres in size, except for a windbreak, woodlot, abandoned building site, or is be a whole field as defined by the United States Agricultural Stabilization and Conservation Services;*

~~(4) is~~ (3) *not be set aside, enrolled or diverted under another federal or state government program; and*

~~(5) was~~ (4) *have been in agricultural crop production for at least two years during the period 1981 to 1985, except drained wetlands, woodlots, or abandoned building sites.*

(d) *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.*

(e) *In selecting drained wetlands for enrollment in the program, the highest priority must be given to wetlands with a cropping history during the period 1976 to 1985.*

(f) *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.*

Subd. 3. [CONSERVATION EASEMENTS.] ~~The commissioner board~~ may acquire conservation easements on eligible land. An easement may be permanent or of limited duration. An easement of limited duration may not be acquired if it is for a period less than 20 years. The negotiation and acquisition of easements authorized by this section are exempt from the contractual provisions of chapter 16B.

Subd. 4. [NATURE OF PROPERTY RIGHTS ACQUIRED.] (a) A conservation easement must prohibit:

(1) alteration of wildlife habitat and other natural features, unless specifically approved by the ~~commissioner~~ board;

(2) agricultural crop production, unless specifically approved by the ~~commissioner~~ board for wildlife management purposes;

(3) grazing of livestock unless approved by the ~~commissioner~~ *board* after consultation with the commissioner of natural resources, in the case of severe drought, or a local emergency declared under section 12.29; and

(4) spraying with chemicals or mowing, except as necessary to comply with noxious weed control laws or emergency control of pests necessary to protect public health.

(b) A conservation easement is subject to the terms of the agreement provided in subdivision 5.

(c) A conservation easement must allow repairs, improvements, and inspections necessary to maintain public drainage systems provided the easement area is restored to the condition required by the terms of the conservation easement.

Subd. 5. [AGREEMENTS BY LANDOWNER.] The ~~commissioner~~ *board* may enroll eligible land in the conservation reserve program by signing an agreement in recordable form with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior title, lien, or encumbrance;

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the ~~commissioner~~ *board*; or to plant trees or carry out other long-term capital improvements approved by the ~~commissioner~~ *board* for soil and water conservation or wildlife management;

(3) ~~to restore any drained wetland and~~ to convey to the state a permanent easement for the wetland *restoration*;

(4) that other land supporting natural vegetation owned or leased as part of the same farm operation at the time of application, if it supports natural vegetation or has not been used in agricultural crop production, will not be converted to agricultural crop production or pasture; *and*

(5) ~~to the enforcement of the terms of the easement and agreements in this subdivision by an action for specific performance, a mandatory injunction, or for damages in an amount not to exceed the total amount paid by the state to the landowner under subdivision 6, with interest from the date of each default under the agreement; and~~

(6) that the easement duration may be lengthened through mutual agreement with the *board in consultation with the commissioner* ~~commissioners~~ *commissioner* of agriculture and natural resources if ~~they determine the commissioner determines~~ that the changes effectuate the purpose of the program or ~~to facilitate facilitates~~ its administration.

Subd. 6. [PAYMENTS FOR CONSERVATION EASEMENTS AND ESTABLISHMENT OF COVER.] The ~~commissioner~~ *board* must make the following payments to the landowner for the conservation easement and agreement:

(1) to establish the perennial cover or other improvements required by the agreement, up to 75 percent of the total eligible cost not to exceed \$75 per acre for limited duration easements, ~~and~~ 100 percent of the total eligible cost not to exceed \$100 per acre for perpetual easements, ~~and 100 percent of the total eligible cost of wetland restoration not to exceed \$300 per acre;~~

(2) for the cost of planting trees required by the agreement, up to 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$300 per acre for perpetual easements;

(3) for a permanent easement, 70 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time of easement application;

(4) for an easement of limited duration, 90 percent of the present value of the average of the accepted bids for the federal conservation reserve program, as contained in Public Law Number 99-198, in the relevant geographic area and on bids accepted at the time of easement application; or

(5) an alternative payment system for easements based on cash rent or a similar system as may be determined by the ~~commissioner~~ board.

~~The commissioner may not pay more than \$50,000 to a landowner for all the landowner's conservation easements and agreements.~~

Subd. 7. [EASEMENT RENEWAL.] When a conservation easement of limited duration expires, a new conservation easement and agreement for an additional period of not less than 20 years may be acquired by agreement of the ~~commissioner~~ board and the landowner, under the terms of this section. The ~~commissioner~~ board may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

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~~ board 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.

Subd. 9. [ENFORCEMENT AND DAMAGES.] *(a) A landowner who violates the terms of a conservation easement or agreement under this section, or induces, assists, or allows another to do so, is liable to the state for treble damages if the trespass is willful, but liable for double damages only if the trespass is not willful. The amount of damages is the amount needed to make the state whole or the amount the landowner has gained due to the violation, whichever is greater.*

*(b) Upon the request of the board, the attorney general may commence an action for specific performances, injunctive relief, damages, including attorney fees, and any other appropriate relief to enforce sections 40.41 to 40.45 in district court in the county where all or part of the violation is alleged to have been committed, or where the landowner resides or has a principal place of business.*

Sec. 3. Minnesota Statutes 1988, section 40.44, is amended to read:

40.44 [COOPERATION AND TECHNICAL ASSISTANCE; SUPPLEMENTAL CONSERVATION PAYMENT.]

Subdivision 1. [COOPERATION.] In implementing sections 40.41 to 40.44 the ~~commissioner~~ board must share information and cooperate with the department of agriculture, the department of natural resources, the

pollution control agency, the United States Fish and Wildlife Service, the Agricultural Stabilization and Conservation Service and Soil Conservation Service of the United States Department of Agriculture, the Minnesota extension service, the University of Minnesota, county boards, and interested private organizations and individuals.

Subd. 2. [TECHNICAL ASSISTANCE.] ~~The commissioners board and the commissioner of agriculture and natural resources~~ must provide necessary technical assistance to landowners enrolled in the conservation reserve program. The commissioner of natural resources must provide technical advice and assistance to the ~~commissioner board~~ on (1) the form and content of the conservation easement and agreement; (2) forestry and agronomic practices; and (3) hydrologic and hydraulic design relating to the establishment and maintenance of permanent cover, or other conservation improvements. The commissioner of transportation must provide technical advice and assistance to the ~~commissioners board and the commissioner of agriculture and natural resources~~ on the planting of windbreaks adjacent to highways. ~~The commissioners of agriculture board and the commissioner of natural resources~~ shall jointly prepare an informational booklet on the conservation reserve program and other state and federal programs for land acquisition, conservation, and retirement to be made available to eligible landowners and the general public.

Subd. 3. [SUPPLEMENTAL CONSERVATION PAYMENTS.] ~~The commissioner board~~ may supplement payments made under federal land retirement programs to the extent of available appropriations other than bond proceeds. The supplemental payments must be used to establish perennial cover on land enrolled or increase payments for land enrollment in programs approved by the ~~commissioner board~~, including the federal conservation reserve program and federal and state waterbank program.

Sec. 4. Minnesota Statutes 1988, section 40.45, is amended to read:

40.45 [RULEMAKING.]

~~The commissioner board may adopt emergency rules to implement Laws 1987, chapter 357. The emergency rules adopted on August 27, 1986, shall remain in effect until December 31, 1987, or until amended or replaced by emergency or permanent rules sections 40.41 to 40.45. The rules must include standards for tree planting so that planting does not conflict with existing electrical lines, telephone lines, rights-of-way, or drainage ditches.~~

Sec. 5. Minnesota Statutes 1988, section 84.95, subdivision 2, is amended to read:

Subd. 2. [PURPOSES AND EXPENDITURES.] Money from the reinvest in Minnesota resources fund may only be spent for the following fish and wildlife conservation enhancement purposes:

(1) development and implementation of the comprehensive fish and wildlife management plan under section 84.942;

(2) implementation of the conservation reserve program established by section 40.43;

(3) soil and water conservation practices to improve water quality, reduce soil erosion and crop surpluses;

(4) enhancement of fish and wildlife habitat on lakes, streams, wetlands, and public and private forest lands;

(5) acquisition and development of public access sites and recreation easements to lakes, streams, and rivers for fish and wildlife oriented recreation;

(6) matching funds with government agencies, federally recognized Indian tribes and bands, and the private sector for acquisition and improvement of fish and wildlife habitat;

(7) research and surveys of fish and wildlife species and habitat;

(8) enforcement of natural resource laws and rules;

(9) information and education;

(10) implementing the aspen recycling program ~~under section 88-80~~ and for other forest wildlife management projects; and

(11) necessary support services to carry out these purposes.

Sec. 6. Laws 1986, chapter 383, section 17, subdivision 4, is amended to read:

Subd. 4. [COMMISSIONER OF NATURAL RESOURCES.] \$3,600,000 is appropriated to the commissioner of natural resources:

(a) from the bond proceeds account of the reinvest in Minnesota resources fund for fish and wildlife habitat improvements and acquisition of interests in land under the comprehensive fish and wildlife management plan under section 8, to be available until expended	\$2,500,000
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(b) from the bond proceeds account of the reinvest in Minnesota resources fund for aspen recycling and other forest wildlife management projects under section 12, to be available until expended	\$1,000,000
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(c) from the general fund for the development of a fish and wildlife research center, to be available until June 30, 1987	\$100,000
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Sec. 7. [92.70] [LAND USE TRESPASS.]

*Subdivision 1. [PUBLIC LAND DEFINITION.] "Public land" means publicly owned land or interests in land including land and interests in land that are owned by the state, counties, or road authorities, administered by the commissioner of natural resources, owned by the state as beds of navigable waters, acquired by drainage authorities as permanent grass strips, acquired as conservation easements with benefits running to the state, a county, or the public under the conservation reserve program, water bank program, or other state or county programs.*

*Subd. 2. [CASUAL TRESPASS.] (a) A person who uses public land for personal use or personal economic gain where the use is prohibited is guilty of trespass and a petty misdemeanor and shall be subject to a penalty not to exceed \$50 per occurrence plus a civil penalty for twice the amount of actual damages.*

*(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. A copy of the ticket must be sent to the public agency responsible for managing the land.*

*(c) The civil penalty shall be paid to the public agency responsible for managing the public land. A civil penalty paid to the state is appropriated to the state agency responsible for managing the land to restore the damage and improve state land.*

*(d) Within 20 days after a ticket is issued, the public agency responsible for managing the public land where the trespass occurred must make a determination of whether a civil penalty will be sought for the trespass and notify the person.*

*Subd. 3. [WILLFUL TRESPASS.] (a) A person who willfully and knowingly uses public land for personal use or personal economic gain where the use is prohibited is guilty of trespass and a misdemeanor and is liable to the state or county for a civil penalty three times the amount of the damage.*

*(b) A person violating paragraph (a) may be issued a ticket and summons for a court appearance. The prosecuting authority shall prosecute the misdemeanor and demand the civil penalty or, on failure to do so, the attorney general at the request of the public agency responsible for managing the land may prosecute the misdemeanor and demand the civil penalty.*

*(c) Damages must be determined as the greater of:*

*(1) the cost to restore the public land to the condition it was in before the trespass occurred plus an amount to compensate the public for the loss of use; or*

*(2) the economic gain realized by the person committing the trespass.*

*(d) The 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;*

*(2) for a trespass on state land, the civil penalty to the state agency responsible for managing the public land which is appropriated for restoration of the trespass and state land improvement purposes.*

**Sec. 8. [APPROPRIATIONS: CONSERVATION RESERVE PROGRAM; IMPLEMENTATION OF COMPREHENSIVE FISH AND WILDLIFE PLAN.]**

*Subdivision 1. [BOARD OF WATER AND SOIL RESOURCES.] \$2,104,000 is appropriated from the general fund to the board of water and soil resources for technical services and implementation of the conservation reserve program, to be available for the biennium ending June 30, 1991. \$1,700,000 of this appropriation must be distributed to soil and water conservation districts. All classified positions associated with the responsibilities of implementing the conservation reserve program under Minnesota Statutes, sections 40.42 to 40.45, are transferred with their incumbents from the department of agriculture to the board of soil and water resources, thereby increasing the board complement by three positions in the general fund and decreasing the department complement by three positions in the general fund.*

*Subd. 2. [COMMISSIONER OF NATURAL RESOURCES.] \$6,000,000 is appropriated from the general fund to the commissioner of natural resources to implement components of the comprehensive fish and wildlife plan under Minnesota Statutes, section 84.942, to be available until June 30, 1991. The approved complement of the department of natural resources is increased by 42 positions in the unclassified service to implement the provisions of this subdivision and those of section 9, subdivision 2.*

**Sec. 9. [CAPITAL IMPROVEMENTS.]**

*Subdivision 1. [APPROPRIATIONS FROM REINVEST IN MINNESOTA RESOURCES FUND.] The sums specified in this section are appropriated from the reinvest in Minnesota resources fund to the state agencies indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as provided in this section.*

**Subd. 2. [DEPARTMENT OF NATURAL RESOURCES.]**

*To the commissioner of natural resources for the following purposes to be available until expended.*

\$ 9,000,000

*(a) Fish and wildlife habitat*

\$ 7,000,000

*This appropriation is to acquire and improve land for fish and wildlife habitat under the comprehensive fish and wildlife management plan under Minnesota Statutes, section 84.942.*

*(b) Forest wildlife habitat*

\$ 500,000

*This appropriation is for expenditure under Minnesota Statutes, section 88.80, and for other forest wildlife management projects.*

*(c) Native prairie land*

\$ 500,000

*(d) Critical habitat private sector matching account*

\$ 1,000,000

*This appropriation is for transfer to the critical habitat private sector matching account.*

**Subd. 3. [BOARD OF WATER AND SOIL RESOURCES.]**

*To the board of water and soil resources for the conservation reserve program under Minnesota Statutes, section 40.43, to be available until spent.*

\$12,000,000

*In addition, any unencumbered balances remaining from appropriations from the reinvest in Minnesota resources fund under Laws 1987, chapter 400, section 12, and Laws 1986, chapter 383, section 17, subdivision 3, to the commissioner or department of agriculture shall be*



*transferred to the board of water and soil resources. One position in the unclassified service authorized under Laws 1987, chapter 400, section 1, shall be transferred from the department of agriculture to the board of water and soil resources, thereby increasing the board complement by one position in the unclassified service in the reinvest in Minnesota resources fund and decreasing the department complement by one position in the unclassified service in the reinvest in Minnesota resources fund. The position must be a coordinator to work with other agencies to implement this subdivision.*

*Subd. 4. [BONDS FOR REINVEST IN MINNESOTA FUND.] To provide the money appropriated in this section from the reinvest in Minnesota fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$21,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the reinvest in Minnesota resources fund.*

Sec. 10. [EFFECTIVE DATE.]

*This act is effective July 1, 1989."*

Amend the title as follows:

Page 1, line 8, delete "and" and before the period, insert "; 84.95, subdivision 2; Laws 1986, chapter 383, section 17, subdivision 4; 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 Agriculture and Rural Development. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

S.F. No. 48: A bill for an act relating to economic development; authorizing counties to establish economic development authorities; amending Minnesota Statutes 1988, sections 469.090, by adding a subdivision; 469.091, subdivision 1, and by adding a subdivision; 469.092, subdivisions 1, 3, 4, and 5; 469.093, subdivision 1; 469.094, subdivisions 1, 2, and 3; 469.095; 469.097, subdivisions 3, 5, and 6; 469.099, subdivision 3; 469.100, subdivisions 2, 3, 4, 5, and 6; 469.101, subdivisions 1, 4, 15, and 16; 469.102, subdivisions 1, 2, 4, and 5; 469.103, subdivisions 1 and 6; 469.105, subdivisions 1 and 4; and 469.107.

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. 353: A bill for an act relating to commerce; requiring businesses offering check cashing services to be licensed; establishing a maximum fee to be charged for check cashing services; proposing coding for new law as Minnesota Statutes, chapter 55A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [53A.01] [DEFINITIONS.]

*Subdivision 1. [CURRENCY EXCHANGE.] “Currency exchange” means any person, except a bank, trust company, savings bank, savings and loan association, credit union, or industrial loan and thrift company, engaged in the business of cashing checks and drafts or selling money orders or travelers’ checks for a fee. “Currency exchange” does not include a person who provides these services incidental to the person’s primary business if the charge for cashing a check or draft does not exceed \$1.*

*Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of commerce.*

Sec. 2. [53A.02] [LICENSE.]

*A person may not engage in the business of a currency exchange without first obtaining a license from the commissioner.*

Sec. 3. [53A.03] [APPLICATION FOR LICENSE; FEES.]

*(a) An application for a license must be in writing, under oath, and in the form prescribed and furnished by the commissioner and must contain the following:*

*(1) the full name and address (both of residence and place of business) of the applicant, and if the applicant is a partnership or association, of every member, and the name and business address if the applicant is a corporation;*

*(2) the county and municipality, with street and number, if any, of all currency exchange locations operated by the applicant; and*

*(3) the applicant’s occupation or profession, for the ten years immediately preceding the application; present or previous connection with any other currency exchange in this or any other state; whether the applicant has ever been convicted of any crime; and the nature of the applicant’s occupancy of the premises to be licensed; and if the applicant is a partnership or a corporation, the information specified in this paragraph must be supplied for each partner and each officer and director of the corporation.*

*(b) The application shall be accompanied by a nonrefundable fee of \$250 for the review of the initial application. Upon approval by the commissioner, an additional license fee of \$50 must be paid by the applicant as an annual license fee for the remainder of the calendar year. An annual license fee of \$50 is due for each subsequent calendar year of operation upon submission of a license renewal application on or before December 1. Upon payment of the required annual license fee, the commissioner shall issue a license for the year beginning January 1.*

Sec. 4. [53A.04] [APPROVAL OR DENIAL OF AN APPLICATION.]

*The commissioner shall approve or deny an application within 30 days from the completed filing of it. If the application is denied, the commissioner shall send by mail notice of the denial and the reason for the denial to the applicant at the address contained in the application. If an application is denied, the applicant may, within 30 days of receiving the notice of a denial, request a contested case hearing pursuant to chapter 14.*

**Sec. 5. [53A.05] [CHANGE OF NAME OR LOCATION.]**

*If a licensee proposes to change the name or location of any or all of its currency exchanges, or adds a new currency exchange location, the licensee shall file an application for approval of the change with the commissioner. If the change is approved by the commissioner, the commissioner shall issue an amended license in the licensee's new name or location. A \$50 fee must be paid for the amended license.*

**Sec. 6. [53A.06] [FINE, SUSPENSION, OR REVOCATION OF LICENSE.]**

*(a) The commissioner may suspend or revoke any license under section 45.027 if the commissioner finds that:*

*(1) the licensee has failed to pay the annual license fee or to maintain in effect the required bond or to comply with any order, decision, or finding of the commissioner under this act;*

*(2) the licensee, or any officer or director of a corporate licensee, has violated any provision of this act or any rule or order of the commissioner under this chapter or chapter 45;*

*(3) the licensee, or any officer or director of a corporate licensee, has violated any other law which would indicate that the person is untrustworthy or not qualified to operate a currency exchange; or*

*(4) any fact or condition exists which, if it had existed at the time of the original or renewal application for the license, would have warranted the commissioner refusing the issuance of the license.*

*(b) A license may not be revoked until the licensee has had notice of a hearing pursuant to the provisions of chapter 14.*

*(c) A licensee may surrender any license by delivery to the commissioner. The surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender, or affect the liability on the bond required by this act or entitle the licensee to a return of any part of any license fee.*

*(d) Before suspension or revocation of the license, the commissioner may fine a licensee for violations of this act as authorized under chapter 45.*

**Sec. 7. [53A.07] [FILING OF FEES; UNREASONABLE FEES.]**

*Subdivision 1. [APPROVAL OF FEES.] Fees charged at each location for check cashing services must be filed with and approved by the commissioner.*

*Subd. 2. [AMENDMENT OF FEES.] A licensee may amend its fees at any time by filing the proposed amendments with the commissioner. The application for amendment shall be in writing, under oath, and in the form prescribed by the commissioner. A fee of \$50 shall accompany the application. The commissioner shall approve or deny the application 60 days*

*after the filing of a complete application to amend its fees.*

*Subd. 3. [STANDARDS; UNREASONABLE FEES PROHIBITED.] The commissioner may disapprove the fees filed by a currency exchange if they are not fair and reasonable. In determining whether a fee is fair and reasonable, the commissioner shall take into consideration:*

*(1) rates charged in the past for cashing of checks by those persons and organizations providing check cashing services in the state of Minnesota;*

*(2) the income, cost, and experience of the operations of currency exchanges existing prior to this enactment or in other states under similar conditions or regulations;*

*(3) the amount of risk involved in the type of check to be cashed and the location where the currency exchange operates;*

*(4) the general cost of doing business, insurance costs, security costs, banking fees, and other costs associated with the operations of the particular currency exchange;*

*(5) a reasonable profit for a currency exchange operation; and*

*(6) any other matter the commissioner deems appropriate.*

Sec. 8. [53A.08] [BOND.]

*Any currency exchange that engages in the sale of money orders or travelers' checks shall comply with bonding requirements pursuant to section 48.151.*

Sec. 9. [53A.09] [POWERS; LIMITATIONS; PROHIBITIONS.]

*A currency exchange may not accept money or currency for deposit, or act as bailee or agent for persons, firms, partnerships, associations, or corporations to hold money or currency in escrow for others for any purpose.*

Sec. 10. [53A.10] [VIOLATIONS.]

*Any person, firm, association, partnership, or corporation that violates this act shall be guilty of a misdemeanor.*

Sec. 11. [53A.11] [BOOKS OF ACCOUNT; ANNUAL REPORT.]

*The licensee shall keep and use in the licensee's business the books, accounts, and records that will enable the commissioner to determine whether the licensee is complying with the provisions of this act and with the rules adopted by the commissioner. A licensee shall preserve the books, accounts, and records for at least two years after making the final entry.*

Sec. 12. [53A.12] [RULES.]

*The commissioner may adopt rules under chapter 14 as may be necessary to administer and enforce this chapter.*

Sec. 13. [53A.13] [FEE NOTICE; FALSE ADVERTISING; PENALTY.]

*Subdivision 1. [FEE NOTICE.] The fees charged by currency exchanges for rendering any service authorized by this act must be prominently displayed on the premises of the currency exchange in the fashion required by the commissioner.*

*Subd. 2. [FALSE ADVERTISING.] A licensee may not advertise, print, display, publish, distribute, or broadcast any statement or representation*

*that is false, misleading, or deceptive, or that omits material information.*

*Subd. 3. [CIVIL LIABILITY; PENALTY.] A person who violates any subdivision of this chapter is liable to the person damaged by the violation for actual damages. The court may award reasonable attorney fees and costs.*

Sec. 14. [53A.14] [EFFECT ON LOCAL LAW.]

*Local law requirements that are inconsistent with the requirements in this chapter are preempted to the extent of the inconsistency.*

Sec. 15. [EFFECTIVE DATE.]

*Sections 1 to 14 are effective August 1, 1989. Existing currency exchanges must submit applications in compliance with this chapter by October 1, 1989. No currency exchange shall operate without a license after December 31, 1989."*

Delete the title and insert:

"A bill for an act relating to commerce; regulating currency exchanges; requiring currency exchanges to be licensed by the commissioner of commerce; requiring charges to be reasonable; proposing coding for new law as Minnesota Statutes, chapter 53A."

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. 150: A bill for an act relating to gambling; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 260.015, subdivisions 5 and 21; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 349A.

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. [349A.01] [DEFINITIONS.]

*Subdivision 1. [TERMS DEFINED.] For the purposes of this chapter the terms defined in this section have the meanings given them.*

*Subd. 2. [AGENCY.] "Agency" is the state lottery agency established under section 2.*

*Subd. 3. [BOARD.] "Board" is the state lottery board established under section 3.*

*Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of the state lottery agency.*

*Subd. 5. [LOTTERY.] "Lottery" is the state lottery operated by the state lottery agency.*

*Subd. 6. [LOTTERY PROCUREMENT CONTRACT.] "Lottery procurement contract" means a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets, and lottery tickets. "Lottery procurement contract" does not include a contract to provide an annuity or prize payment agreement or materials, supplies, equipment, or services common to the ordinary operation of a state agency.*

*Subd. 7. [LOTTERY RETAILER.] "Lottery retailer" means a person with whom the commissioner has contracted to sell lottery tickets to the public.*

*Subd. 8. [LOTTERY TICKET.] "Lottery ticket" or "ticket" means any tangible evidence issued by the lottery to prove participation in a lottery game.*

*Subd. 9. [LOTTERY VENDOR.] "Lottery vendor" or "vendor" means a person who has entered into a contract to provide equipment, supplies, or services for the agency. A lottery vendor does not include a lottery retailer.*

**Sec. 2. [349A.02] [STATE LOTTERY AGENCY.]**

*Subdivision 1. [COMMISSIONER.] The state lottery agency is an agency in the executive branch under the supervision and control of the state lottery board established by section 3 and under the day-to-day management of a commissioner appointed by the governor with the advice and consent of the senate and serving in the unclassified service. The commissioner must be qualified by training and experience to supervise the lottery.*

*Subd. 2. [POWERS AND DUTIES.] The commissioner shall exercise the following powers and duties:*

- (1) recommend rules and game procedures to the board;*
- (2) issue lottery retailer contracts;*
- (3) enter into lottery procurement contracts, subject to the approval of the board;*
- (4) enter into other contracts for the provision of goods and services;*
- (5) enter into written agreements with one or more states for the operation, marketing, and promotion of a joint lottery;*
- (6) adopt and publish advertising and promotional materials consistent with section 9;*
- (7) employ a deputy commissioner and a confidential secretary in the unclassified service; and*
- (8) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.*

*Subd. 3. [EMPLOYEES; CLASSIFICATION.] The commissioner may employ other personnel necessary to operate the state lottery. All positions must be in the classified service unless designated in the unclassified service by the commissioner of employee relations under section 43A.08.*

*Subd. 4. [COMPENSATION.] The compensation of employees in the*

agency is as provided in chapter 43A.

*Subd. 5. [EMPLOYEES; BACKGROUND CHECKS.] The commissioner shall conduct background checks on all prospective employees who are finalists for employment and shall require that all finalists of the agency be fingerprinted. Fingerprints that are taken of prospective employees may be forwarded to the Federal Bureau of Investigation for the conducting of a national criminal history check. The agency may not employ a person who has been convicted of a felony within five years of starting employment with the agency, or has ever been convicted of a felony or a gross misdemeanor involving fraud, misrepresentation, or a crime involving gambling. Criminal history data compiled by the bureau of criminal apprehension on employees and prospective employees of the Minnesota state lottery may be released to the commissioner.*

*Subd. 6. [ASSISTANCE.] Other departments or agencies of the state may be required to provide reasonable assistance to the agency at the request of the commissioner. The agency shall make appropriate reimbursement for all assistance.*

**Sec. 3. [349A.03] [STATE LOTTERY BOARD.]**

*Subdivision 1. [MEMBERSHIP.] The state lottery board consists of seven members appointed by the governor. The governor shall designate one of the members to serve as chair of the board. Terms, compensation, and removal of members and the filling of membership vacancies are governed by section 15.059.*

*Subd. 2. [BOARD DUTIES.] The board shall:*

- (1) advise the commissioner on all aspects of the lottery;*
- (2) adopt rules governing the kinds of games to be offered by the lottery agency;*
- (3) approve lottery procurement contracts; and*
- (4) at least quarterly, review and comment on advertising and promotional materials adopted and published or proposed by the commissioner to ensure that the materials are not offensive or demeaning to the citizens of this state and are consistent with section 9.*

**Sec. 4. [349A.04] [LOTTERY GAME PROCEDURES.]**

*The board shall adopt game procedures governing the following elements of the lottery:*

- (1) specific lottery games to be offered by the lottery agency;*
- (2) ticket prices;*
- (3) the number and size of prizes;*
- (4) methods of selecting winning tickets; and*
- (5) the frequency and method of drawings.*

*The adoption of lottery game procedures is not subject to chapter 14.*

**Sec. 5. [349A.05] [RULES.]**

*The board may adopt rules under chapter 14 governing the following elements of the lottery:*

- (1) the number and types of lottery retailers' locations;*

(2) qualifications of lottery retailers and application procedures for lottery retailer contracts;

(3) investigation of lottery retailer applicants;

(4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts;

(5) compensation of lottery retailers;

(6) accounting for and deposit of lottery revenues by lottery retailers;

(7) procedures for issuing lottery procurement contracts and for the investigation of bidders on those contracts;

(8) payment of prizes;

(9) procedures needed to ensure the integrity and security of the lottery; and

(10) other rules the board considers necessary for the efficient operation and administration of the lottery.

Sec. 6. [349A.06] [LOTTERY RETAILERS.]

*Subdivision 1. [CONTRACTS.] The commissioner shall sell tickets for the lottery through lottery retailers the commissioner selects. Contracts under this section are valid for a period of one year.*

*Subd. 2. [QUALIFICATIONS.] (a) The commissioner may not contract with a retailer who:*

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) has been convicted within the previous five years of a felony, or has ever been convicted of any felony involving fraud or misrepresentation, or any crime involving gambling;

(4) is a member of the immediate family and resides in the same household, as the commissioner, a board member, or any employee of the agency; or

(5) in the commissioner's judgment lacks the financial stability or responsibility to act as a lottery retailer, or whose being a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery.

(b) An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the business or the stock of the corporation, an officer, or director that does not meet the requirements of paragraph (a), clause (3), is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (3), do not apply to an organization, partnership, or corporation if the commissioner determines that the organization, partnership, or firm has terminated its relationship with the individuals whose actions directly contributed to the disqualification under this subdivision.

*Subd. 3. [BOND.] The commissioner shall require that each lottery retailer post a bond, in an amount as the commissioner deems necessary, to protect the financial interests of the state.*



*Subd. 4. [CRIMINAL HISTORY.] The commissioner shall request the bureau of criminal apprehension to investigate all applicants for lottery retailer contracts. The commissioner may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section.*

*Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract. Lottery tickets may not be sold on premises owned by or leased from the state or a political subdivision.*

*(b) A lottery retailer must prominently display a certificate issued by the commissioner on the premises where lottery tickets will be sold.*

*(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the agency at all times during business hours. The commissioner may require a lottery retailer to furnish information as the commissioner deems necessary to carry out the purposes of this chapter, and may require an audit of the books of account and records. The commissioner may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to an employee of the agency.*

*(d) A contract issued under this section may not be transferred or assigned.*

*(e) The commissioner shall require that lottery tickets may be sold by retailers only for cash.*

*Subd. 6. [RETENTION BY RETAILERS.] The board may by rule provide for:*

*(1) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets; and*

*(2) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets as a commission.*

*Subd. 7. [RETAILER RENTAL PAYMENTS.] If a lottery retailer'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 retained by the sales agent for the sale of lottery tickets must be considered the amount of the retail sale for purposes of computing the rental payments.*

*Subd. 8. [PROCEEDS OF SALES.] All proceeds from the sale of lottery tickets received by a lottery retailer constitute a trust fund until paid to the commissioner. The lottery retailer is personally liable for all proceeds.*

*Subd. 9. [FEE.] The commissioner may charge a nonrefundable application fee to a person applying for a lottery retailer contract. The fee collected under this subdivision must be deposited in the lottery fund.*

*Subd. 10. [LOCAL LICENSES.] No political subdivision may require a local license to operate as a lottery retailer or impose a tax or fee on the business of operating as a lottery retailer.*

*Subd. 11. [REVOCACTION, SUSPENSION, AND REFUSAL TO RENEW LICENSES.] (a) The board shall cancel the contract of any lottery retailer who:*

*(1) has been convicted of a felony or gross misdemeanor in any federal or state court;*

*(2) has committed fraud, misrepresentation, or deceit;*

*(3) has provided false or misleading information to the agency; or*

*(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.*

*(b) The board may cancel, suspend, or refuse to renew the contract of any lottery retailer who:*

*(1) changes business location;*

*(2) fails to account for lottery tickets received or the proceeds from tickets sold;*

*(3) fails to remit funds to the commissioner in accordance with the board's rules;*

*(4) violates a law or a rule or order of the board;*

*(5) fails to comply with any of the terms in the lottery retailer's contract;*

*(6) fails to comply with bond requirements under this section; or*

*(7) in the opinion of the board fails to maintain a sufficient sales volume to justify continuation as a lottery retailer.*

*(c) The board may also cancel, suspend, or refuse to renew a lottery retailer's contract if there is a material change in any of the factors considered by the commissioner under subdivision 2.*

*(d) The board shall cancel the contract if the retailer has been convicted of violating any provision of section 12 or 16.*

*(e) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.*

*(f) The commissioner may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the board shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the board may issue an order making the suspension permanent.*

#### **Sec. 7. [349A.07] [VENDOR CONTRACTS.]**

*Subdivision 1. [CONTRACTS AUTHORIZED.] The commissioner may enter into contracts for the purchase, lease, or lease-purchase of the goods or services that are necessary for the purposes of this chapter. Any lottery procurement contract entered into by the commissioner must be approved by the board. In entering into a contract, the commissioner shall utilize an open bid process and shall take into account the particularly sensitive nature of the state lottery and shall consider the competence, quality of product, experience, and timely performance of each potential vendor in*

*order to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery.*

*Subd. 2. [INVESTIGATION OF POTENTIAL VENDORS.] The commissioner shall request the director of the bureau of criminal apprehension to investigate the background, financial responsibility, security, and integrity of any person who submits a bid, proposal, or offer as part of a lottery procurement contract. The commissioner may require the person making the bid, proposal, or offer to pay for the cost of the investigation. Any fee collected under this subdivision must be deposited in the state lottery fund. At the time of submitting any bid, proposal, or offer, the bidder shall disclose to the commissioner the information the commissioner considers necessary to carry out the purposes of this section. The commissioner 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 agency.*

*Subd. 3. [PERSONS INELIGIBLE FOR CONTRACT.] (a) The commissioner may not enter into a lottery procurement contract with an applicant who has been convicted of a felony within the previous five years, or has ever been convicted of a felony involving fraud or misrepresentation or any crime involving gambling.*

*(b) The commissioner may not enter into a lottery procurement contract with an applicant if 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 does not meet the requirements of this subdivision.*

*(c) The restrictions under this subdivision do not apply to an applicant for a lottery procurement contract if the commissioner 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. 4. [CONFLICT OF INTEREST.] The commissioner may not enter into a contract with a person to supply goods or services if that person has an ownership interest in an entity that had supplied consultation services under a contract to the lottery regarding the request for proposal pertaining to those particular goods or services.*

*Subd. 5. [BOND.] (a) The commissioner shall require securities to be deposited, or a performance bond or a letter of credit to be executed by the person or corporation that is awarded a lottery procurement contract in an amount as determined by the commissioner.*

*(b) Any securities deposited with the commissioner under this subdivision must be interest-bearing and limited to:*

*(1) certificates of deposit issued by a solvent bank or savings association organized and existing under the laws of this state or under the laws of the United States and having its principal place of business in this state;*

*(2) United States bonds, notes, and bills, for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest; and*

*(3) general obligation bonds of any political subdivision of this state, or corporate bonds of a corporation that is not an affiliate or subsidiary of the vendor, if the general obligation bonds or corporate bonds are rated*

*in one of the four highest classifications by an established nationally recognized investment rating service.*

*(c) Any letter of credit executed under this subdivision must provide that:*

*(1) nothing more than a demand for payment is necessary for payment and is not conditional on the delivery of any other documents or materials;*

*(2) the letter of credit is irrevocable and cannot be modified or revoked without the consent of the commissioner;*

*(3) the letter of credit cannot expire without notice from the issuer and the notice must occur at least 60 days before the expiration date of the letter of credit;*

*(4) the letter of credit is issued by a bank which is a member of the federal reserve system 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 investment grade financial characteristics;*

*(5) the letter of credit is unconditional, is not conditional 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 agreement, document, or entity; and*

*(6) the letter of credit designates the commissioner as beneficiary.*

*Subd. 6. [EXEMPTIONS.] Lottery procurement contracts entered into by the commissioner are not subject to the provisions of sections 16B.06 to 16B.102, provided that the commissioner must utilize an open and competitive bid process for lottery procurement contracts, and as nearly as practicable follow the procedures of chapter 16B governing contracts, consistent with the provisions of this section.*

*Subd. 7. [ASSIGNMENT.] A contract entered into under this section may not be assigned without the specific written approval of the commissioner.*

**Sec. 8. [349A.08] [LOTTERY PRIZES.]**

*Subdivision 1. [AGREEMENT BY PLAYERS.] A person who buys a lottery ticket agrees to be bound by the rules applicable to the particular lottery game for which the ticket is purchased. The player acknowledges that the determination of whether a ticket is a valid winning ticket is subject to the rules of the board, claims procedures established by the commissioner for that game, and any confidential or public validation tests established by the commissioner for that game.*

*Subd. 2. [PRIZES NOT ASSIGNABLE.] A prize in the state lottery is not assignable except as provided in subdivision 3 and except that:*

*(1) if a prize winner dies before the prize is paid, the commissioner shall pay the prize to the prize winner's estate; and*

*(2) the commissioner may pay a prize to a person other than the winner of that prize under an appropriate court order.*

*Subd. 3. [PRIZES WON BY PERSONS UNDER AGE 18.] The following provisions govern the payment of a lottery prize to a person under age 18:*

*(1) if the prize is less than \$5,000, the commissioner may give a draft, payable to the order of the person under age 18, to the person's parents,*

*custodial parent if one parent has custody, guardian, or other adult member of the person's family; and*

*(2) if the prize is \$5,000 or more, the commissioner shall deposit the prize with the district court and section 540.08 applies to the investment and distribution of the money.*

*Subd. 4. [DISCHARGE OF LIABILITY.] The payment of a prize by the commissioner discharges the commissioner and the state of all liability for the prize.*

*Subd. 5. [PAYMENT; UNCLAIMED PRIZES.] A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded. Any prize money not claimed at the end of this period must be added by the commissioner 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 purchased the winning ticket in violation of section 12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section.*

*Subd. 6. [INSTALLMENT PAYMENTS.] If the commissioner decides to pay all or part of a prize in the form of installments over a period of years, the commissioner 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. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to a member of the board, the commissioner, or an employee of the agency, or a member of their families residing in the same household of the member, commissioner, or employee. No prize may be paid to an officer or employee of a division of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a lottery procurement contract.*

*(b) No prize may be paid for a stolen, altered, or fraudulent ticket.*

*Subd. 8. [WITHHOLDING OF DELINQUENT STATE TAXES OR OTHER DEBTS.] The commissioner shall report the name, address, and social security number of each winner of a lottery prize of \$1,000 or more to the department of revenue to determine whether the person who has won the prize is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5. If the person is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5, the commissioner shall withhold the delinquent amount from the person's prize for remittance to the department of revenue for payment of the delinquent taxes or distribution to a claimant agency in accordance with chapter 270A. Section 270A.10 applies to the priority of claims.*

*Sec. 9. [349A.09] [LOTTERY ADVERTISING.]*

*Subdivision 1. [ODDS; REQUIRED INFORMATION.] The commissioner shall include on each brochure, pamphlet, booklet, or other similar*

material the commissioner publishes to promote or explain any lottery game, a prominent and clear statement of the chances of winning each prize offered in that lottery game. Each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the commissioner of the odds of winning each prize in each game for which the lottery retailer sells tickets.

*Subd. 2. [PROHIBITION.] No lottery or other public funds may be expended to advertise or promote the state lottery.*

*Subd. 3. [NOTICE.] Each lottery retailer shall prominently post at or near the point of ticket sale a notice printed and provided by the commissioner giving the telephone number of a local gamblers' anonymous or similar organization from which a person may receive help regarding a problem with compulsive gambling.*

**Sec. 10. [349A.10] [LOTTERY FUNDS.]**

*Subdivision 1. [FUND ESTABLISHED.] Money received by the commissioner from the sale of lottery tickets must be deposited in the state treasury and credited to the state lottery fund.*

*Subd. 2. [PRIZES AND ADMINISTRATION.] (a) The amount necessary to pay the holders of winning lottery tickets, purchase and promote lottery games and game-related services, and make payments to lottery retailers is appropriated from the lottery fund to the commissioner. All other expenses for the operation and administration of the lottery must be appropriated from the state lottery fund by direct appropriation of the legislature.*

*(b) The commissioner shall determine the percentage of money in the state lottery fund to be allocated for payment of prizes and expenses in a fiscal year, provided that no more than 50 percent of the gross revenues from the sale of lottery tickets may be used for prizes and after the first full year of operation no more than 15 percent of gross revenues may be used for administrative expenses of the lottery.*

*Subd. 3. [DEPOSIT OF RECEIPTS.] (a) The commissioner may require lottery retailers:*

*(1) to deposit in a separate account to the credit of the state lottery fund, in banks designated by the commissioner, all money received by the lottery retailer from the sale of lottery tickets, less money retained as the lottery retailer's commission and for payment of prizes or sales discounts;*

*(2) to file with the commissioner reports of the lottery retailer's receipts and transactions in ticket sales in a form that the commissioner prescribes; and*

*(3) to allow money deposited by the lottery retailer from the sale of lottery tickets to be transferred to the agency through electronic fund transfer.*

*(b) The commissioner may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.*

*(c) A lottery retailer who fails to pay any money due to the commissioner within the time prescribed by the commissioner shall pay interest on the amount owed at the rate determined by rule.*

*Subd. 4. [DETERMINATION OF NET PROCEEDS.] Within 30 days after the end of each month, the commissioner shall determine the net proceeds from the lottery for that month. The net proceeds is determined by deducting from gross receipts to the lottery for that month and interest earned by the lottery:*

- (1) total prizes paid out in that month;*
- (2) an amount the commissioner determines to be reasonably required to pay future prize obligations resulting from lottery drawings in that month;*
- (3) the value of lottery tickets returned or canceled;*
- (4) an amount sufficient to pay costs incurred for the operation and administration of the lottery;*
- (5) payments made for the purchase and promotion of lottery games and game-related services; and*
- (6) payments made to lottery retailers.*

**Sec. 11. [349A.11] [CONFLICT OF INTEREST.]**

*(a) The commissioner, a board member, an employee of the agency, a member of the immediate family of the commissioner, board member, or employee residing in the same household may not:*

- (1) purchase a lottery ticket;*
  - (2) have any ownership interest in any vendor contracting with the state to supply services or gaming equipment or materials for use in the operation of the lottery, or in any lottery retailer; or*
  - (3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.*
- (b) The commissioner or an unclassified employee of the agency may not, within one year of terminating employment with the agency, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any lottery procurement contract or bid for a major procurement contract with the agency within a period of two years prior to the termination of their employment.*

**Sec. 12. [349A.12] [PROHIBITED ACTS.]**

*Subdivision 1. [PURCHASE BY MINORS.] A person under the age of 18 years may not buy a ticket in the state lottery.*

*Subd. 2. [SALE TO MINORS.] A lottery retailer may not sell a ticket in the state lottery to any person under the age of 18 years. It is an affirmative defense to a charge under this subdivision for the lottery retailer to prove by a preponderance of the evidence that the lottery retailer reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, in making the sale.*

*Subd. 3. [PROHIBITED SALES.] (a) A person other than a lottery retailer may not sell a ticket in the state lottery.*

*(b) A lottery retailer may not sell a ticket for a price other than the price set by the commissioner.*

*Subd. 4. [LOTTERY RETAILERS AND VENDORS.] A person who is*

*a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the commissioner, or a person under contract with the commissioner 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 the commissioner, board member, employee of the lottery agency, or to a member of the immediate family residing in the same household as that person.*

*Subd. 5. [EXCEPTIONS.] Nothing in this chapter prohibits giving a state lottery ticket as a gift, or buying a state lottery ticket as a gift for a person under the age of 18.*

*Subd. 6. [VIOLATIONS.] A violation of subdivision 1 is a petty misdemeanor. A violation of subdivision 2 or a rule adopted by the board is a misdemeanor. A violation of subdivision 3 or 4 is a gross misdemeanor.*

**Sec. 13. [349A.13] [RESTRICTIONS.]**

*The commissioner may not:*

*(1) conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240;*

*(2) install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and*

*(3) sell pull-tabs as defined under section 349.12, subdivision 10.*

**Sec. 14. [349A.14] [AUDIT.]**

*The state lottery agency is subject to audit by the legislative auditor under sections 3.971 and 3.972.*

**Sec. 15. [349A.15] [REPORT.]**

*The commissioner shall file an annual report with the governor and legislature setting forth a complete statement of lottery revenues, administrative and operating costs, net revenues transferred under section 10, and other financial transactions for the period the report covers.*

**Sec. 16. [609.651] [STATE LOTTERY FRAUD.]**

*Subdivision 1. [FELONY.] A person is guilty of a felony and may be sentenced under subdivision 3 if the person does any of the following with intent to defraud the state lottery:*

*(1) alters or counterfeits a state lottery ticket;*

*(2) knowingly presents an altered or counterfeited state lottery ticket for payment;*

*(3) knowingly transfers an altered or counterfeited state lottery ticket to another person;*

*(4) obtains access to the state lottery computer data base; or*

*(5) otherwise claims a lottery prize by means of fraud, deceit, or misrepresentation.*

*Subd. 2. [FALSE STATEMENTS.] A person is guilty of a felony and may be sentenced under subdivision 3 if the person:*

*(1) makes a materially false or misleading statement, or a material*



omission, in a record required to be submitted under chapter 349A; or

(2) makes a materially false or misleading statement, or a material omission, in information submitted to the commissioner of the state lottery in a lottery retailer's application or a document related to a bid.

Subd. 3. [PENALTY.] (a) A person who violates subdivision 1 may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$50,000, or both.

(b) A person who violates subdivision 1 and defrauds the state lottery of \$35,000 or more may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both.

(c) A person who violates subdivision 2 may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$25,000, or both.

Sec. 17. [TEMPORARY CLASSIFICATION OF EMPLOYEES.]

Notwithstanding section 2, subdivision 3, the commissioner of employee relations may temporarily designate positions in the unclassified service for up to three years for the purpose of establishing the state lottery, provided that the positions do not involve office, clerical, technical, or business management activities such as financial, accounting, purchasing, data processing, or personnel activities.

Sec. 18. [APPROPRIATION.]

Subdivision 1. [LOAN.] There is appropriated from the general fund to the commissioner of the state lottery the sum of \$ . . . . . This appropriation is available until expended. The commissioner shall reimburse the general fund from the lottery fund the amount appropriated under this subdivision by June 30, 1991.

Subd. 2. [COMPLEMENT.] The approved complement of the lottery agency is . . . . .

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 11, 13 to 15, and 18 are effective July 1, 1989. Sections 12 and 16 are effective July 1, 1989, and apply to crimes committed on or after that date. Section 17 is effective the day following final enactment.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 1988, 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 commissioner and deputy commissioner of the state lottery agency.*

Sec. 2. Minnesota Statutes 1988, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, commerce, corrections, jobs and training, education, employee relations, trade and economic development, finance, health, human rights, labor and industry, natural resources, public safety, public service, human services, revenue, transportation, and veterans affairs; the housing finance, *state lottery*, state planning, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

Sec. 3. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range  
Effective  
July 1, 1987

\$57,500-\$78,500

Commissioner of finance;  
Commissioner of education;  
Commissioner of transportation;  
Commissioner of human services;  
Commissioner of revenue;  
Executive director, state board of  
investment;

\$50,000-\$67,500

Commissioner of administration;  
Commissioner of agriculture;  
Commissioner of commerce;  
Commissioner of corrections;  
Commissioner of jobs and training;  
Commissioner of employee relations;  
Commissioner of health;  
Commissioner of labor and industry;  
Commissioner of natural resources;  
Commissioner of public safety;  
*Commissioner of the state lottery agency;*  
Commissioner of trade and economic development;  
Chair, waste management board;  
Chief administrative law judge; office of  
administrative hearings;  
Commissioner, pollution control agency;  
Commissioner, 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;

\$42,500-\$60,000

Commissioner of human rights;  
 Commissioner, department of public service;  
 Commissioner of veterans' affairs;  
 Commissioner, bureau of mediation services;  
 Commissioner, public utilities commission;  
 Member, transportation regulation board;  
 Ombudsman for corrections;  
 Ombudsman for mental health and retardation.

Sec. 4. Minnesota Statutes 1988, section 16B.54, subdivision 2, is amended to read:

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck presently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the national automobile dealers association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck shall be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the use of motor vehicles without uniform coloring or marking by the governor, the lieutenant governor, the division of criminal apprehension, arson investigators of the division of fire marshal in the department of public safety, financial institutions division of the department of commerce, *the state lottery agency*, and the office of the attorney general.

Sec. 5. Minnesota Statutes 1988, 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; trade and economic development; finance; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; human services; revenue; transportation; and veterans affairs; the housing finance, *state lottery*, 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; the school and resource center for the arts; and the Minnesota zoological board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(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;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(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;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 6. Minnesota Statutes 1988, section 260.015, subdivision 5, is amended to read:

Subd. 5. [DELINQUENT CHILD.] "Delinquent child" means a child:

(a) Who has violated any state or local law, except as provided in section 260.193, subdivision 1, and except for juvenile offenders as described in subdivisions 19 to 23 *unless the child has committed a second or subsequent violation of article 1, section 12, subdivision 1; or*

(b) Who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult; or

(c) Who has escaped from confinement to a state juvenile correctional facility after being committed to the custody of the commissioner of corrections.

Sec. 7. Minnesota Statutes 1988, section 260.015, subdivision 21, is amended to read:

Subd. 21. [JUVENILE PETTY OFFENDER; JUVENILE PETTY

OFFENSE.] "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a violation of section 609.685 or article 1, section 12, subdivision 1, or a violation of a local ordinance, 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. A child who commits a juvenile petty offense is a "juvenile petty offender."

Sec. 8. Minnesota Statutes 1988, section 290.92, is amended by adding a subdivision to read:

*Subd. 29. [LOTTERY PRIZES.] The commissioner of the Minnesota state lottery shall deduct and withhold eight percent of the payment of winnings which are subject to withholding as Minnesota withholding tax. For purposes of this subdivision, the term "winnings which are subject to withholding" has the meaning given in section 3402(q)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1988. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the commissioner of the Minnesota state lottery with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment. The Minnesota state lottery is liable for the payment of the tax required to be withheld under this subdivision but is not liable to any person for the amount of the payment.*

Sec. 9. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

*Subd. 42. [STATE LOTTERY TICKETS.] The gross receipts from the sale of tickets for the state lottery under chapter 349A are exempt.*

Sec. 10. Minnesota Statutes 1988, section 340A.410, subdivision 5, is amended to read:

*Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.*

*(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under chapter 349.*

*(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the commissioner of the state lottery under chapter 349A.*

Sec. 11. Minnesota Statutes 1988, section 349.18, subdivision 1, is amended to read:

*Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. No organization may conduct lawful gambling on premises under the jurisdiction of or leased from a state agency listed in section 15.06, subdivision 1, a metropolitan agency as defined in section 473.121, subdivision 5a, or a school district. Leases must be for a period of at least one year and must be in writing. Copies of all leases must be made available to employees*

of the board on request. A lease may not provide for rental payments based on a percentage of receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling.

Sec. 12. Minnesota Statutes 1988, 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, *purchase or sale of tickets in the state lottery*, or gambling authorized under ~~chapter~~ *chapters 349 and 349A*.

Sec. 13. Minnesota Statutes 1988, 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~~ *chapters 240 and 349 or purchase of tickets in the state lottery under chapter 349A*.

Sec. 14. Minnesota Statutes 1988, 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 and sale of state lottery tickets under chapter 349A.*

Sec. 15. Minnesota Statutes 1988, section 609.761, is amended to read: 609.761 [OPERATIONS PERMITTED.]

*Subdivision 1. [LAWFUL GAMBLING.]* Notwithstanding sections 609.755 and 609.76, an organization may conduct lawful gambling as defined in section 349.12, if authorized under chapter 349, and a person may manufacture, sell, or offer for sale a gambling device to an organization authorized under chapter 349 to conduct lawful gambling, and pari-mutuel betting on horse racing may be conducted under chapter 240.

*Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A.*

Sec. 16. [EFFECTIVE DATE.]

*Sections 1 to 15 are effective July 1, 1989."*

Delete the title and insert:

"A bill for an act relating to gambling; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15.06, subdivision 1; 15A.081, subdivision 1; 16B.54, subdivision 2; 43A.08, subdivision 1a; 260.015, subdivisions 5 and 21; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 349.18, subdivision 1; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 349A."

And when so amended the bill be re-referred to the Committee on Taxes and Tax Laws without recommendation. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1157: A bill for an act relating to education; changing the name of technical institutes to technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivision 2.

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 1988, section 136C.02, subdivision 2, is repealed."*

Amend the title as follows:

Page 1, line 3, delete "amending" and insert "repealing"

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. 1181: A bill for an act relating to education; allowing alternative postseason extracurricular competition; proposing coding for new law in Minnesota Statutes, chapter 129.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete everything after the period

Page 1, delete line 18

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. 517: A bill for an act relating to education; appropriating money to the higher education coordinating board for a community service grant program for postsecondary institutions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 16 and 24, delete "*nonstate sources*" and insert "*any resources available to the institution*"

Page 1, line 17, delete "*full-time*"

Page 1, line 19, delete "*administrative*" and insert "*administration, coordination, training, consultation, and evaluation*"

Page 1, delete line 20

Page 1, line 21, delete everything before the period

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. 1261: A bill for an act relating to education; clarifying reporting responsibilities to the HECB; amending Minnesota Statutes 1988, section 136A.05.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after "*education*" insert a comma

Page 1, line 11, after "*institutes*" insert a comma

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. 278: A bill for an act relating to economic development; revising provisions governing regional development commissions; renaming regional development commissions; authorizing the establishment of area development alliances; appropriating money; amending Minnesota Statutes 1988,

sections 110B.08, subdivision 2; 115A.03, subdivisions 8 and 26; 115A.09, subdivision 3; 115A.21, subdivision 2; 115A.45; 115A.52; 115A.64, subdivision 3; 116E.02, subdivision 1; 116E.03, subdivision 8; 116G.03, subdivision 5; 116G.06; 116G.07; 116G.08; 116J.971, subdivision 2; 116N.08, subdivision 2; 123.58, subdivision 2; 134.34, subdivision 3; 138.93, subdivision 1; 145A.09, subdivision 6; 174.031, subdivision 1; 245.872, subdivision 2; 252.46, subdivisions 4 and 8; 256E.08, subdivision 10; 402.01, subdivision 1; 462.381; 462.382; 462.383; 462.384, subdivisions 1, 2, 7, and by adding subdivisions; 462.386; 462.387; 462.388; 462.389; 462.39; 462.393; 462.394; 462.395; 462.396; 462.397; 462.398; and 462A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 462; repealing Minnesota Statutes 1988, sections 116K.11; 462.371; 462.372; 462.373; 462.374; 462.375; 462.384, subdivisions 3, 4, 5, and 6; 462.385; 462.391; and 462.392.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [462.399] [TITLE.]

*Sections 1 to 17 may be cited as the “area development alliance act.”*

Sec. 2. [462.400] [APPLICATION.]

*Sections 1 to 17 do not apply to the metropolitan council created by or the region defined by Laws 1967, chapter 896.*

Sec. 3. [462.401] [PURPOSE.]

*The purposes of sections 1 to 17 are:*

*(1) to facilitate intergovernmental cooperation;*

*(2) to ensure the orderly and harmonious coordination of state, federal, and local comprehensive planning and development programs;*

*(3) to provide assistance to local communities and governmental units on an areawide basis; and*

*(4) to identify and address rural issues and problems.*

Sec. 4. [462.402] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 17.*

*Subd. 2. [GOVERNMENTAL UNIT.] “Governmental unit” means a county, home rule charter or statutory city, town, school district, or other political subdivision of the state.*

*Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of the state planning agency exercising authority under sections 116K.01 to 116K.13.*

*Subd. 4. [ALLIANCE.] “Alliance” means an area development alliance established under section 6.*

*Subd. 5. [ALLIANCE AREA.] “Alliance area” or “area” means a geographic area composed of at least three contiguous counties with a population of at least 50,000, established under section 6.*

*Subd. 6. [CITY.] “City” means a home rule charter or statutory city.*

Sec. 5. [462.403] [CONFORMANCE WITH AREAS.]

*Subdivision 1. [MULTICOUNTY PLANNING AND DEVELOPMENT.] All coordination, planning, and development areas assisted or created by the state of Minnesota or federal legislation must conform to the areas established under section 6 except where, after review and approval by the commissioner, nonconformance is clearly justified. The commissioner shall develop working agreements with state and federal departments and agencies to ensure conformance with this subdivision.*

*Subd. 2. [FEDERAL ECONOMIC DEVELOPMENT DISTRICTS.] The boundaries of an economic development district established under the United States Public Works and Economic Development Act of 1965, as amended through December 31, 1988, United States Code, title 42, section 3171, may be modified with the approval of an affected county and the development district.*

Sec. 6. [462.404] [AREA DEVELOPMENT ALLIANCE; ESTABLISHMENT.]

*Subdivision 1. [PETITION.] (1) Any combination of counties or cities representing a majority of the population of the area, or (2) any combination of contiguous counties, upon approval by a majority of the governing bodies of the cities and towns of each county located within the area for which an area development alliance is proposed, may petition the commissioner by formal resolution setting forth its desire to establish, and the need for the establishment of, an area development alliance. For purposes of the petition requirement, the population of a county does not include the population of a city within the county. The petition must include the geographic boundaries of the proposed area. The area must include a population of at least 50,000 and at least three contiguous counties. The area may include towns that are contiguous to the counties that are located in the proposed area. The area may also include cities that are located in more than one county and are contiguous to the proposed area. All counties, contiguous towns, and contiguous cities that were part of an alliance that has been terminated and are not part of an existing alliance must be allowed to petition to form the proposed alliance.*

*Subd. 2. [ESTABLISHMENT.] Within 35 days of the receipt of a petition as provided in subdivision 1, the commissioner shall notify all governmental units within the area for which the alliance is proposed and fix a time and place within the proposed area for a public hearing. Notice and time requirements specified in section 17, subdivision 2, apply to the public hearing. If the boundaries of a proposed area development alliance are coterminous or overlap with the boundaries of an existing regional development commission or area development alliance, the existing commission or alliance must be terminated before the proposed area development alliance may be established. After determining that the boundaries of the proposed alliance area do not overlap with another area development alliance or a regional development commission, and within 60 days of the date of the public hearing, the commissioner shall establish the area development alliance by commissioner's order.*

*Subd. 3. [SELECTION OF MEMBERSHIP.] The commissioner shall call together each of the membership classifications except the public members, defined in section 8, within 60 days of the establishment of an area development alliance for the purpose of selecting the alliance membership.*

Sec. 7. [462.405] [ANNEXATION PROCEDURE.]

*Subdivision 1. [COUNTIES IN EXISTING ALLIANCE.] One or more counties comprising a part of an existing area development alliance may petition the commissioner by county board resolution to withdraw the county or counties from the alliance for the purpose of annexing the county or counties to a contiguous proposed or established area development alliance. The commissioner may order the annexation only if the following conditions are met:*

*(1) the population of the area development alliance from which the county or counties request withdrawal is at least 50,000 after the county or counties withdraw;*

*(2) at least three contiguous counties remain in the alliance after the withdrawal;*

*(3) none of the petitioning counties have established an alliance or have been authorized to annex with the alliance that they are currently a part of in the past five years;*

*(4) the alliance with which the county or counties are requesting annexation must approve of the annexation; and*

*(5) the commissioner approves of the annexation, after making the determination that the population and economic patterns of the county or counties are consistent with the proposed annexation.*

*Subd. 2. [COUNTIES OR TOWNS NOT PART OF AN ALLIANCE.] Upon approval by a majority of the governing bodies of the cities and towns of a county, a county that is not part of an existing area development alliance may petition the commissioner by county board resolution for the purpose of annexing the county to a contiguous area development alliance. The commissioner may order the annexation only if the following conditions are met:*

*(1) the alliance with which the county is requesting annexation must approve of the annexation; and*

*(2) the commissioner approves of the annexation, after making the determination that the population and economic patterns of the county are consistent with the proposed annexation.*

*A town that is not part of an existing area development alliance may petition the commissioner by town board resolution for the purpose of annexing the town to a contiguous area development alliance. The commissioner may order the annexation if the town meets the conditions specified in clauses (1) and (2) of this subdivision.*

*Subd. 3. [ANNEXATION BY COMMISSIONER'S INITIATIVE.] Within two years after a federal decennial census, the state demographer must review the boundaries of the areas and submit a report to the commissioner with boundary modification recommendations, taking into account the population and economic patterns of each area. Upon receiving boundary modification recommendations from the state demographer, the commissioner may order an annexation under subdivision 1 without meeting the petition requirements after determining that the other conditions specified in subdivision 1 have been met.*

*Subd. 4. [CITY ANNEXATION.] A city that is located in more than one county may petition the commissioner by city council resolution for*

*the purpose of annexing the entire city to a contiguous area development alliance. The commissioner may order the annexation if the city meets the conditions specified in subdivision 2, clauses (1) and (2).*

*Subd. 5. [PUBLIC HEARING REQUIREMENTS.] The commissioner must hold a public hearing in the proposed annexation area before ordering an annexation under this section. Notice and time requirements specified in section 17, subdivision 2, apply to the public hearing.*

**Sec. 8. [462.406] [ALLIANCE MEMBERSHIP]**

*Subdivision 1. [COMPOSITION.] An alliance consists of the following members:*

- (1) one member from each county board of every county in the area, selected by each respective county board;*
- (2) one additional county board member from each county with a population greater than 100,000, selected by each respective county board of these counties;*
- (3) the town clerk, town treasurer, or one member of a town board of supervisors from each county containing organized towns, selected by the town officers association in each respective county, or the town boards of supervisors in each county if a town officers association does not exist in the county;*
- (4) one additional member selected by the county board of any county containing no townships;*
- (5) one mayor or council member from a city with a population less than 10,000, from each county, selected by the mayors of the cities in the county;*
- (6) one mayor or council member from each city with a population greater than 10,000 from each county, selected by the mayor of each of these respective cities;*
- (7) two school board members elected by a majority of the chairs of school boards in the area;*
- (8) one member from each council of governments, selected by each council; and*
- (9) at least one public member from each county or portion of a county in the area, selected by the other alliance members and representing public interests within the area, to be selected after adoption of the bylaws of the alliance. At least 30 percent of the alliance membership must consist of public members who are not members of the governing body of a county, city, or town.*

*The public membership of the alliance may consist of members of minority groups, post-secondary educational institutions, senior citizen groups, human service organizations, natural resource organizations, nonprofit economic development entities, local chambers of commerce, and the general public interested in community and economic development.*

*Subd. 2. [TERMS; SELECTION.] The terms of office and method of selection of members, including the chair and other officers, must be provided for in the bylaws of the alliance. The alliance must select a chair from its own membership. An alliance member may not serve more than ten consecutive years. The bylaws must be consistent with the provisions*

*of subdivision 1. The alliance shall adopt bylaws providing for its procedures.*

*Subd. 3. [PER DIEM; EXPENSES.] Members of the alliance may receive a per diem in the amount specified under section 15.0575, subdivision 3, and must be reimbursed for their reasonable expenses as determined by the alliance. The alliance may provide for the election of a board of directors, who need not be alliance members, and provide, at its discretion, for a per diem in the amount specified under section 15.0575, subdivision 3, for meetings of the board and expenses. A member of the board of directors may receive only the per diem payable to board members when meetings of the board of directors and the alliance are held on the same day.*

**Sec. 9. [462.407] [ALLIANCE CHAIR; OFFICERS AND STAFF]**

*Subdivision 1. [CHAIR.] The chair of the alliance shall have been a resident of the area for at least one year and shall be a person experienced in the field of government affairs. The chair shall preside at the meetings of the alliance and board of directors, appoint all employees as provided in the personnel system adopted under subdivision 4, and be responsible for carrying out all policy decisions of the alliance. The chair's expense allowances must be fixed by the alliance. The term of the first chair is one year, and the chair shall serve until a successor is selected and qualifies. At the expiration of the term of the first chair, the chair must be elected from the membership of the alliance according to procedures established in its bylaws.*

*Subd. 2. [OFFICERS.] Except as provided in subdivision 1, the alliance may elect officers it considers necessary for the conduct of its affairs. Times and places of regular and special meetings must be fixed by the alliance and may be provided in the alliance bylaws. In the performance of its duties the alliance may adopt bylaws; establish committees, divisions, departments, and bureaus; staff the committees, divisions, departments, and bureaus as necessary to carry out its duties; and when specifically authorized by law, make appointments to other governmental agencies and districts. All officers and employees serve at the pleasure of the alliance and in accordance with this section.*

*Subd. 3. [EXECUTIVE DIRECTOR.] Upon the recommendation of the chair, the alliance may appoint an executive director to serve as the chief administrative officer.*

*Subd. 4. [EMPLOYEES.] The alliance may prepare, in consultation with the commissioner of employee relations, and may adopt, a personnel system for its officers and employees, including hiring procedures and policies, terms and conditions of employment, compensation, classification, benefits, the filing of performance and fidelity bonds, and insurance policies as it considers advisable, with premiums to be paid by the alliance. Officers and employees are public employees within the meaning of chapter 353. The alliance shall make the employer's contributions to pension funds of its employees.*

*Subd. 5. [STAFF SERVICES.] To avoid duplication of staffs for various regional bodies assisted by the federal government, the alliance may provide basic administrative, research, and planning services for all regional planning and development bodies in Minnesota. The alliance may contract to obtain or perform services with state agencies, nonprofit regional groups,*

*subdistricts organized as the result of federal programs, councils of governments organized under section 471.59, or other law, and with governmental units.*

*Subd. 6. [CONSULTANTS.] The alliance may contract for the services of consultants who perform engineering, legal, or other services of a professional nature for peak workloads, continuing advice on program direction, and for specialized and technical services. The contracts are not subject to the requirements of any law relating to public bidding.*

**Sec. 10. [462.408] [POWERS AND DUTIES.]**

*Subdivision 1. [GENERAL POWERS.] The alliance shall have and exercise all powers which may be necessary or convenient to enable it to perform and carry out the duties and responsibilities of sections 1 to 17 or which may hereafter be imposed upon it by law. The powers include the specific powers enumerated in this section. The alliance is a political subdivision of the state for purposes of section 297A.25, subdivision 11.*

*Subd. 2. [STATE AND FEDERAL PROGRAMS.] The alliance is the authorized agency to receive state and federal grants for regional purposes from the following programs:*

*(1) Public Works and Economic Development Act of 1965, as amended through December 31, 1988, United States Code, title 42, section 3171 (economic development districts); and*

*(2) any other state and federal programs providing funds for local, multicounty, or regional planning, coordination, service delivery, and development purposes, to the extent determined feasible by the governor.*

*Subd. 3. [PLANNING.] The alliance may prepare and adopt, after appropriate study and public hearings as may be necessary, development plans for the area or portions of the area. The plans may consist of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the area. The plans may also include an outline of trends, issues, and problems occurring in rural areas of the state. A development plan or portion of a plan for the area may not be adopted by the alliance until it has been submitted to the commissioner for review and comment and a period of 60 days has elapsed after the submission. When a development plan has been adopted, the alliance shall distribute it to all governmental units within the area.*

*Subd. 4. [COMPREHENSIVE PLANNING.] The establishment of an area development alliance does not affect the right of counties or cities to conduct planning under sections 462.371 to 462.375 or 471.59. It is the purpose of sections 1 to 17 to encourage local planning capability and the alliance shall, as far as practical, use the data, resources, and input of the local planning agencies.*

*Subd. 5. [PLANNING REVIEW.] The alliance may review all long-term comprehensive plans of each governmental unit, independent commission, board, or agency, but only if the plan is determined by the alliance to have an areawide effect, a multicomunity effect, or to have a substantial effect on development of the area. Each plan determined to have areawide significance by the alliance must be submitted to the alliance for review and comment before any action is taken to place the plan or any part of the plan into effect. No action shall be taken to place any plan or any part of a plan into effect until 60 days have elapsed after the date of its submission*

*to the alliance or until the alliance reviews and comments on the plan. The alliance shall develop, in consultation with the commissioner, formal procedures for the review of plans required to be submitted to it under this subdivision. The procedures must be included in a formal resolution adopted after public hearing. After adoption, the resolution must be transmitted to each governmental unit and independent agency, board, or commission within the area.*

*Subd. 6. [RESEARCH.] The alliance may research and study issues and concerns relating to water, land use, economic development, minority problems, governmental problems, human and natural resources, waste reduction and management, communication, transportation, and other subjects of concern to the general public of the area. The alliance may institute demonstration projects in connection with a study.*

*Subd. 7. [PROGRAM COORDINATION.] The alliance may coordinate civil defense, community shelter planning, floodplain management programs, and other programs of areawide significance within the area and contract with local governmental agencies and consultants for the purpose of program coordination.*

*Subd. 8. [LOCAL GOVERNMENT BOUNDARIES.] The alliance may participate as a party in any proceedings originating before the Minnesota municipal board under chapter 414, if the proceedings involve the change in a boundary of a governmental unit in the area.*

*Subd. 9. [DATA AND INFORMATION.] The alliance, in consultation with appropriate departments and agencies of the state, may develop, in cooperation with the public and private colleges and universities and governmental units, a center for data collection and storage to be used by it and other governmental and private users. The alliance may enter into agreements with any state or federal agency to provide information to the governmental units, and others, regarding federal and state programs and data sources.*

*Subd. 10. [SERVICES AND TECHNICAL ASSISTANCE.] The alliance may contract with governmental units and private organizations to provide them with services and technical assistance in the conduct of local planning and development activities. The alliance may also provide technical assistance to governmental units on a noncontractual basis.*

*Subd. 11. [REVOLVING LOAN FUND.] In order to promote and encourage local economic development, the alliance may establish a revolving loan fund to provide loans to businesses. If the alliance establishes a revolving loan fund, the alliance shall establish uniform application forms and procedures, minimum interest rates, security requirements, restrictions on the amount of the alliance's participation in a project, and other financial terms and conditions that the alliance determines are necessary in providing financial assistance. The alliance may sell, at private or public sale, loans made under this subdivision to a business, for-profit or nonprofit organization, or an individual.*

**Sec. 11. [462.409] [COUNTY ECONOMIC DEVELOPMENT AUTHORITY.]**

*Subdivision 1. [ESTABLISHMENT.] A county located in an alliance area may establish a county economic development authority that has the same powers as an economic development authority established under*



*section 469.091. If a county establishes an economic development authority, the county shall exercise all of the powers relating to an economic development authority granted to a city under sections 469.090 to 469.108.*

*Subd. 2. [DISTRICTS.] A county economic development authority may create and define the boundaries of economic development districts at any place or places within the county. Section 469.174, subdivision 10, and the contiguity requirement specified under section 469.101, subdivision 1, do not apply to county economic development districts.*

*Subd. 3. [LIMITATION.] A county economic development authority may only exercise its powers or levy authority within the boundaries of a city at the request of the city's governing body. A county economic development authority may not exercise its levy authority within the boundaries of a city that has established an economic development authority or port authority.*

*Subd. 4. [PROJECT REVIEW.] All county economic development authority projects must be submitted to the alliance for review and comment before any action may be taken on the project. No action may be taken on the project until after 45 days have elapsed from the date of submission of the project to the alliance or until the alliance reviews and comments on the project. For purposes of this subdivision, "project" means an economic development district as described in section 469.101, subdivision 1, a project as defined in section 469.002, subdivision 12, or a project as defined in section 469.153, subdivision 2, paragraph (a), (b), or (c).*

**Sec. 12. [462.410] [REPORTS.]**

*Subdivision 1. [ANNUAL REPORT.] On or before August 1 of each year, the alliance shall prepare a report for the governmental units, the public within the area, the legislature and the governor. The report must include:*

*(1) a statement of the alliance's receipts and expenditures by category since the preceding report;*

*(2) a detailed budget for the year in which the report is filed and a tentative budget for the following year including an outline of its program for the period;*

*(3) a description of development plans adopted for the area;*

*(4) summaries and recommendations of any studies conducted for the area;*

*(5) recommendations of the alliance regarding federal and state programs, cooperation, funding, and legislative needs; and*

*(6) a summary of any report made during the previous year by the state auditor relative to the alliance.*

*Subd. 2. [PERFORMANCE REPORT.] In 1991 and every five years thereafter the alliance shall review its activities and issue a report to the commissioner, the governmental units within the area, and the general public within the area. The report must include:*

*(1) an assessment of the alliance's performance in fulfilling the purposes of the area development alliance act;*

*(2) an assessment of the state of the alliance area, outlining trends and problems occurring within the alliance area; and*

*(3) recommendations addressing the trends and problems outlined.*

**Sec. 13. [462.411] [CITIZEN PARTICIPATION AND ADVISORY COMMITTEES.]**

*The alliance may appoint advisory committees of interested and affected members of the general public to assist in the review of plans, programs, and other matters referred for review by the alliance. Whenever a special advisory committee is required by a federal or state regional program, the alliance chair shall, as far as practical, appoint advisory committees to the alliance. Members of the advisory committees shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the alliance.*

**Sec. 14. [462.412] [DUTIES OF STATE AGENCIES.]**

*All state departments and agencies shall cooperate with area development alliances established under sections 1 to 17 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The commissioner shall coordinate the state's assistance programs to area development alliances.*

**Sec. 15. [462.413] [FINANCIAL; STATE ASSISTANCE.]**

*Subdivision 1. [GRANTS.] The commissioner shall determine the amount of and make grants to any alliance created under sections 1 to 17 from appropriations made available for those purposes, provided a work program is submitted acceptable to the commissioner. An alliance may levy a tax on all taxable property in the area to provide money for the purposes of sections 1 to 17.*

*Subd. 2. [BUDGET, TAX LEVY.] On or before June 30 of each year, the alliance shall submit its proposed budget for the next fiscal year showing anticipated receipts, disbursements, and ad valorem tax levy, with a written notice of the time and place of the public hearing on the proposed budget, to each county auditor and city clerk within the area and those town clerks who in advance have requested a copy of the budget and notice of public hearing. On or before October 1 of each year, the alliance shall adopt, after a public hearing held no later than September 20, a budget covering its anticipated receipts and disbursements for the next year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. After adoption of the budget and no later than October 1, the secretary of the alliance shall certify to the auditor of each county within the area the county share of the tax, in an amount bearing the same proportion to the total levy agreed on by the alliance as the gross tax capacity of the county bears to the gross tax capacity of the area. The maximum amount of any levy made for the purposes of sections 1 to 17 shall not exceed one-sixth of one mill on each dollar of gross tax capacity of all taxable property in the area. The auditor of each county in the area shall add the amount of any levy made by the alliance within the limits imposed by this subdivision to other tax levies of the county for collection by the county treasurer with other taxes. When taxes are collected, the county treasurer shall make settlement of the taxes with the alliance in the same manner as other taxes are distributed to political subdivisions. The levy authorized by this section is in addition to any other county taxes authorized by law.*

*Subd. 3. [GIFTS; GRANTS; LOANS.] The alliance may accept gifts, apply for and use grants or loans of money or other property from the United States, the state, private organizations, or any person, local or*

*governmental body for any alliance purpose and may enter into agreements required in connection therewith and may hold, use, and dispose of money or property in accordance with the terms of the gift, grant, loan, agreement, or contract.*

*Subd. 4. [ACCOUNTS; AUDITS.] The alliance shall keep an accurate account of its receipts and disbursement. Disbursements of funds of the alliance must be made by check signed by the chair, vice-chair, or secretary of the alliance and countersigned by the executive director or an authorized deputy after the auditing and approval of the expenditure as may be provided by rules of the alliance. The state auditor shall audit the books and accounts of the alliance once each year, or as often as funds and personnel of the state auditor permit. The alliance shall pay to the state the total cost and expenses of the examination, including the salaries paid to the auditors while actually engaged in making the examination. The revolving fund of the state auditor must be credited with all collections made for any examination.*

*Subd. 5. [UNIFORM MUNICIPAL CONTRACT LAW.] Section 471.345 applies to every contract of the alliance for the purchase of merchandise, materials, or supplies.*

*Subd. 6. [OFFICIAL DEPOSITORY.] The alliance shall from time to time designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for money of the alliance, and shall require the treasurer to deposit all or part of the money in the bank or banks. The designation must be in writing, must include all the terms and conditions upon which the deposits are made, must be signed by the chair and secretary, and must be made a part of the minutes of the alliance. A designated bank or trust company qualifies as a depository by furnishing a corporate surety bond or collateral as required by chapter 118, and must, as long as money of the alliance is on deposit, maintain the bond or collateral and secure any deposit, insofar as it is insured under federal law, as provided in section 118.10.*

*Subd. 7. [RESERVE FUND.] The alliance may establish an undedicated reserve fund. The amount of an undedicated reserve fund may not exceed two times the amount of taxes levied during the past fiscal year.*

*Subd. 8. [STATE EQUALIZATION REVENUE.] In order to receive state equalization revenue, an alliance must levy a tax of at least one-sixth of one mill times the gross tax capacity of taxable property in the area. If an alliance levies one-sixth of one mill times the gross tax capacity of taxable property in the area, the amount of state equalization revenue is equal to the sum of \$100,000 minus the amount of the tax levied by the alliance and .50 times the area population of up to 100,000 and .30 times the amount of the area population over 100,000 or \$40,000, whichever is greater. The population must be determined by using the most recent population estimate of the state demographer, as provided under section 116K.04, subdivision 4. Equalization revenue may be used for any purpose authorized under sections 1 to 17.*

**Sec. 16. [462.414] [BORROWING MONEY; CERTIFICATES OF INDEBTEDNESS.]**

*Subdivision 1. [AUTHORIZATION.] At any time after a tax has been levied by the alliance and certified to the county auditors to be spread on the next tax roll for collection, the alliance may borrow money and in*

*evidence thereof issue and sell its certificates of indebtedness in anticipation of the collection of the levy.*

*Subd. 2. [AMOUNT.] The aggregate principal amount of the certificates then remaining outstanding, issued in anticipation of any levies whatsoever, plus the then unpaid accrued interest and interest to accrue to maturity on all the certificates, may not exceed 50 percent of all taxes certified to the county auditors to be spread and collected which are not delinquent, less the amount received by the alliance before the latest certificates were issued.*

*Subd. 3. [MATURITY.] All certificates must mature not later than April 1 following the close of the year of collection of the taxes in anticipation of which they were issued, and may be made subject to redemption before maturity.*

*Subd. 4. [TERMS.] The alliance shall, by the resolution authorizing each issue of certificates, fix the amount, date, maturity or maturities, prepayment provisions, form, denominations, interest rate or rates, and other details of the certificates, and also pledge the full faith and credit of the alliance for payment of the certificates. In the resolution, the alliance shall also irrevocably appropriate to a special fund the amount, stated in dollars, of the levy anticipated as will be required to pay the principal of and interest on the certificates when due.*

*Subd. 5. [ADDITIONAL LEVY.] If, due to delinquencies in collection, the levy is not received at the times and in the amounts sufficient to meet the principal of and interest on certificates, the alliance may levy and cause to be extended, assessed and collected upon all taxable property within the area, the ad valorem taxes as may be required to pay the principal and interest and to restore to other funds advances made for that purpose.*

*Subd. 6. [SALE.] The certificates may be negotiated and sold in the manner determined by the alliance.*

**Sec. 17. [462.415] [TERMINATION OF ALLIANCE.]**

*Subdivision 1. [PETITION.] (1) Any combination of counties or cities representing a majority of the population of the alliance area, or (2) a majority of counties within the alliance, upon approval by a majority of the governing bodies of the cities and towns of each county located within the area for which an alliance exists, may petition the commissioner by formal resolution stating that the existing alliance is no longer in the public welfare and interest and does not accomplish the purposes of the area development alliance act. For purposes of the petition requirement, the population of a county does not include the population of a city within the county. Any formal resolution adopted by the governing body of a county, city, or town for the termination of an alliance is effective for a period of one year for the purpose of determining the requisite population of the area or number of counties, cities, and towns needed to petition the commissioner.*

*Subd. 2. [HEARING; NOTICE.] Within 35 days of the receipt of the petition, the commissioner shall fix a time and place within the area for a hearing. The commissioner shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a legal newspaper in each of the counties which the alliance represents. The hearing must be conducted by members of the alliance. If the alliance determines that the existing alliance is no longer in the public welfare and*

*interest and that it does not accomplish the purposes of the area development alliance act, the alliance shall recommend to the commissioner that the commissioner terminate the alliance. Within 60 days after receipt of the recommendation, the commissioner shall terminate the alliance by giving notice of the termination to all governmental units within the area for which the alliance was established. Unless otherwise provided by this subdivision, the hearing must be in accordance with sections 14.01 to 14.69.*

*Subd. 3. [LIMITATION.] The commissioner shall not accept a petition for termination more than once in 30 months for each alliance.*

**Sec. 18. [APPROPRIATION; LEGISLATIVE AUDITOR.]**

*§ . . . . . is appropriated from the general fund to the legislative auditor to conduct a separate program evaluation of each regional development commission existing on January 1, 1989.*

**Sec. 19. [APPROPRIATION; EQUALIZATION REVENUE.]**

*§ . . . . . is appropriated from the general fund to the commissioner of the state planning agency for equalization revenue as provided under section 15."*

Delete the title and insert:

"A bill for an act relating to economic development; authorizing the establishment of area development alliances; requiring the legislative auditor to perform project evaluations of existing regional development commissions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462."

And when so amended the bill do pass and be re-referred to the Committee on Agriculture and Rural Development. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1070: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Chisago county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, after "6" insert a comma

Page 1, lines 23 and 25, before "Unit" insert "Cambridge Lake Estates,"

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. 1415: A bill for an act relating to health; appropriating money for a study of radium in public water supplies.

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. 1289: A bill for an act relating to natural resources; authorizing the Elephant Creek impoundment in St. Louis 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. 921: A bill for an act relating to state lands; authorizing conveyance of state land to the city of St. Peter.

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 LAND TO CITY OF ST. PETER.]

*Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the governor upon the recommendation of the commissioner of administration shall offer to quitclaim and convey to the city of St. Peter the land described in this section.*

*Conveyance shall be made in a form approved by the attorney general, for a consideration of \$718 per acre.*

*When the portion of the land to be used for public purposes has been designated by the city of St. Peter, the remaining land may be subdivided and sold. From the proceeds of a sale of any portion of the property, the city of St. Peter 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, engineering, trail, and greenbelt corridor. 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 to be conveyed is located in Nicollet county in the city of St. Peter, consists of about 137 acres, and is described as:*

*All that part of the Southwest Quarter and that part of the Southwest Quarter of the Southeast Quarter of Section 20, Township 110 North, Range 26 West, described as follows:*

*Beginning at the Southeast corner of the Southwest Quarter of Section 20, Township 110 North, Range 26 West; thence South 89 degrees 54 minutes 24 seconds East (assumed bearing) along the South line of the Southwest Quarter of the Southeast Quarter of said Section 20, a distance of 934.50 feet; thence North 00 degrees 52 minutes 53 seconds East, a distance of 1315.78 feet to a point on the North line of said Southwest Quarter of the Southeast Quarter; thence North 89 degrees 56 minutes 38 seconds West, along the North line of said Southwest Quarter of the Southeast Quarter, a distance of 949.50 feet to the Northwest corner of said Southwest Quarter of the Southeast Quarter; thence North 00 degrees 13 minutes 42 seconds East, along the East line of the Southwest Quarter of said Section 20, a distance of 1315.05 feet to the Northeast corner of said Southwest Quarter; thence South 89 degrees 59 minutes 12 seconds West*

*on the North line of said Southwest Quarter a distance of 1852.12 feet to a point 794.64 feet East of the West line of the Southwest Quarter of said Section 20; thence South 00 degrees 09 minutes 39 seconds East and parallel to said West line a distance of 1107.00 feet; thence South 89 degrees 59 minutes 12 seconds West, a distance of 2.64 feet to a point 792.00 feet East of the West line of the Southwest Quarter of said Section 20; thence South 00 degrees 47 minutes 47 seconds West, a distance of 553.13 feet; thence South 00 degrees 09 minutes 39 seconds East and parallel to the West line of the Southwest Quarter of said Section 20 a distance of 969.57 feet to a point on the South line of the Southwest Quarter of said Section 20; thence North 90 degrees 00 minutes 00 seconds East on said South line 1846.14 feet to the point of beginning. Excepting: right-of-way of state trunk highway marked No. 99 containing 4.7 acres of land, more or less, and Oshawa Township Road 81 right-of-way containing 1.4 acres of land, more or less.*

*Said tract is subject to any and all easements of record.*

*The city of St. Peter desires to acquire the parcel, which was declared surplus in 1980, to construct a new street that aligns with state trunk highway marked no. 333, a primary access to the state security hospital complex, to construct a water main that will connect with the state security hospital complex and provide municipal water to the St. Peter regional treatment center, to construct part of a bicycle and hiking trail system, and to construct a storm drainage system.*

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. 1129: A bill for an act relating to natural resources: requiring written notice to the commissioner of natural resources of the vacation of roads, highways, streets, alleys, and similar public grounds that terminate at or abut upon any public water; amending Minnesota Statutes 1988, sections 161.16, subdivision 6; 163.11, by adding a subdivision; 164.07, subdivision 2; 412.851; 440.13; 440.135, subdivision 2; and 505.14.

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 1988, section 161.16, subdivision 6, is amended to read:

Subd. 6. [VACATION.] When the definite location of any trunk highway takes the place of and serves the same purpose as any portion of an existing road, however established, the commissioner may make an order vacating such portion of the road. A copy of the order shall be served upon the owners and occupants of the lands on which is located the portion of the road so vacated *and, if the road terminates at or abuts upon any public water, a copy of the order also shall be served upon the commissioner of natural resources.* A copy of the order, together with proof of service, or

affidavit of publication if the owners are unknown or reside outside the state, shall be filed with the county auditor of the county in which such lands lie. Any person claiming to be damaged by the vacation may appeal at any time within 30 days after the service of the order to the district court of the county for a determination of damages, by serving notice of the appeal on the commissioner and filing same with proof of service in the office of the court administrator of the district court. The appeal shall be tried in the same manner as an appeal from an award in proceedings in eminent domain.

Sec. 2. Minnesota Statutes 1988, section 163.11, is amended by adding a subdivision to read:

*Subd. 7a. [HIGHWAYS TERMINATING AT OR ABUTTING UPON PUBLIC WATER.] By 30 days before the hearing on a resolution to vacate, disclaim, or extinguish a county highway or an interest in a county highway that terminates at or abuts at a public water, the county board must serve notice of the hearing by certified mail on the commissioner of natural resources.*

Sec. 3. Minnesota Statutes 1988, section 164.07, subdivision 2, is amended to read:

*Subd. 2. [HEARING.] The petition shall be filed with the town clerk, who shall forthwith present it to the town board. The town board within 30 days thereafter shall make an order describing as nearly as practicable the road proposed to be established, altered, or vacated and the several tracts of land through which it passes, and fixing a time and place when and where it will meet an act upon the petition. The petitioners shall cause personal service of such order to be made upon each occupant of such land at least ten days before such meeting and cause ten days' posted notice thereof to be given. In addition, the petitioners must serve notice of the order by certified mail upon the commissioner of natural resources at least 30 days before the meeting if the road to be vacated terminates at or abuts at a public water.*

Sec. 4. Minnesota Statutes 1988, section 412.851, is amended to read:  
412.851 [VACATION OF STREETS.]

The council may by resolution vacate any street, alley, public grounds, public way, or any part thereof, on its own motion or on petition of a majority of the owners of land abutting on the street, alley, public grounds, public way, or part thereof to be vacated. When there has been no petition, the resolution may be adopted only by a vote of four-fifths of all members of the council. No such vacation shall be made unless it appears in the interest of the public to do so after a hearing preceded by two weeks' published and posted notice. *In addition, if all or part of the street, alley, public grounds, or public way terminates at or abuts at a public water, a vacation may not be made unless written notice of the petition or proposed resolution is served by certified mail upon the commissioner of natural resources at least 30 days before the hearing on the matter.* After a resolution of vacation is adopted, the clerk shall prepare a notice of completion of the proceedings which shall contain the name of the city, an identification of the real estate and lands affected thereby. The notice shall be presented to the county auditor who shall enter the same in the transfer records and note upon the instrument, over official signature, the words



“entered in the transfer record.” The notice shall then be filed with the county recorder. Any failure to file the notice shall not invalidate any such vacation proceedings.

Sec. 5. Minnesota Statutes 1988, section 440.13, is amended to read:

**440.13 [COUNCIL MAY VACATE STREETS IN CITIES OF THE FOURTH CLASS.]**

In any city of the fourth class organized under a home rule charter, the council thereof shall have power by a majority vote of the council to vacate any street or highway, or any part of any street or highway therein, upon the petition of all the owners of lands abutting both sides of the street or highway, or part thereof, proposed to be vacated wherein one end of the street or highway, or part thereof proposed to be vacated does not connect with any other street or highway. *If a part of the street or highway proposed to be vacated terminates at or abuts at a public water, the petitioners shall serve notice of the petition by certified mail upon the commissioner of natural resources at least 30 days before the council hearing on the matter.* Except as herein provided all other provisions of the home rule charter shall apply to and govern the proceeding.

Sec. 6. Minnesota Statutes 1988, section 440.135, subdivision 2, is amended to read:

Subd. 2. [COUNCIL MAY VACATE; CONDITIONS.] In addition to any other method provided by law, the council of such city, upon the presentation and filing of a verified petition signed by or on behalf of any owner, natural or corporate, of any real estate abutting thereon, may vacate any street or segment of street or any portion of the width thereof within its geographical limits, provided only that the street, segment, or portion thereof so vacated pursuant to such petition shall not be longer than the distance intervening between any two adjacent intersecting streets. *If all or part of a street or segment proposed to be vacated terminates or abuts at a public water, the petitioners shall serve notice of the petition by certified mail upon the commissioner of natural resources at least 30 days before the council hearing on the matter.*

Sec. 7. Minnesota Statutes 1988, section 505.14, is amended to read:

**505.14 [VACATION.]**

Upon the application of the owner of land included in any plat, and upon proof that all taxes assessed against such land have been paid, and the notice hereinafter provided for given, the district court may vacate or alter all, or any part, of such plat, and adjudge the title to all streets, alleys, and public grounds to be in the persons entitled thereto; but streets or alleys connecting separate plats or lying between blocks or lots or *providing access for the public to a public water*, shall not be vacated between such lots, blocks, or plats as are not also vacated, unless it appears that the street or alley or part thereof sought to be vacated is useless for the purpose for which it was laid out. *If a part of a street, alley, or public ground proposed for vacation terminates or abuts at a public water, the petitioner must serve notice of the petition by certified mail upon the commissioner of natural resources at least 30 days before the term at which it shall be heard.* The petitioner shall cause two weeks published and posted notice of such application to be given, the last publication to be at least ten days before the term at which it shall be heard; and the petitioner shall also serve personally, or cause to be served personally, notice of such application, at least ten

days before the term at which the application shall be heard, upon the mayor of the city, the president of the statutory city, or the chair of the town board of the town where such land is situated. The court shall hear all persons owning or occupying land that would be affected by the proposed vacation, and if, in the judgment of the court, the same would be damaged, the court may determine the amount of such damage and direct its payment by the applicant before the vacation or alteration shall take effect. A certified copy of the order of the court shall be filed with the county auditor, and recorded by the county recorder. The district court shall not vacate or alter any street, alley, or public ground dedicated to the public use in or by any such plat in any city or town organized under a charter or special law which provides a method of procedure for the vacation of streets and public grounds by the municipal authorities of such city or town."

And when so amended the bill do pass and be re-referred to the Committee on Local and Urban Government. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 929: A bill for an act relating to natural resources; establishing the Minnesota conservation corps; prescribing powers and duties of the commissioner of natural resources; amending Minnesota Statutes 1988, section 86.33; Laws 1988, chapter 690, article 1, section 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. [84.98] [MINNESOTA CONSERVATION CORPS.]

*Subdivision 1. [ESTABLISHMENT.] The Minnesota conservation corps is established and is under the supervision of the commissioner of natural resources.*

*Subd. 2. [PLAN.] (a) The commissioner of natural resources shall develop a plan for the Minnesota conservation corps to provide:*

*(1) opportunities of employment for youths with preference given to youths who are economically, socially, physically, or educationally disadvantaged and youths residing in areas of substantial unemployment;*

*(2) equal opportunity for female and male youths;*

*(3) summer youth programs and year-round young adult programs;*

*(4) ways in which exclusive bargaining representatives are to be involved in regard to the planning and implementation of positions and job duties of persons employed in projects;*

*(5) methods for coordinating the programs of the Minnesota conservation corps with other publicly authorized or subsidized programs in cooperation with the commissioners of education and jobs and training, the governor's job training council, and other state and local youth service and education entities;*

*(6) programs for participants to be assisted in gaining employment or training upon completing the projects, including, where feasible, in cooperation with the department of jobs and training and educational agencies,*

arranging for career assessment and planning services designed to enhance participant transition from the Minnesota conservation corps to future employment or education;

(7) a remedial education component utilizing, as resources permit and where feasible, the services of the department of jobs and training and educational agencies including instruction in life skills and basic remedial skills for participants who are deficient in the skills or who have not completed high school;

(8) the manner of allocating the services of Minnesota conservation corps members to the various divisions of the department of natural resources, to other state, local, and federal governmental conservation and natural resource managers, and to federally recognized Indian tribes or bands;

(9) standards of conduct and other operating guidelines for Minnesota conservation corps members; and

(10) a determination of preference for projects that will provide long-term benefits to the public, will provide productive work and public service experience to Minnesota conservation corps members, will be primarily labor intensive, and will provide a significant return on taxpayer investment.

(b) The commissioner shall establish the plan notwithstanding chapters 3 and 14.

**Subd. 3. [CRITERIA FOR DETERMINING ECONOMIC, SOCIAL, PHYSICAL, OR EDUCATIONAL DISADVANTAGE.]** (a) The criteria for determining economic, social, physical, or educational disadvantage shall be determined as provided in this subdivision.

(b) Economically disadvantaged are persons who meet the criteria for disadvantaged established by the department of jobs and training or persons receiving services provided by the department of human services such as welfare payments, food stamps, and aid to families with dependent children.

(c) Socially disadvantaged are persons who have been classified as persons in need of supervision by the court system.

(d) Physically disadvantaged are persons who have been identified as having special needs by public agencies that deal with employment for the disabled.

(e) Educationally disadvantaged are persons who have dropped out of school or are at risk of dropping out of school and persons with learning disabilities or in need of special education classes.

**Subd. 4. [REQUIREMENTS FOR ELIGIBILITY FOR ENROLLMENT IN THE CORPS.]** A person is eligible to enroll in the Minnesota conservation corps if the person is:

(1) a permanent resident of the state;

(2) unemployed or underemployed;

(3) at least age 15, but not older than age 26 years;

(4) free from medical or behavioral problems that would render an individual unable to adjust to the standards, discipline, or requirements of the corps; and

(5) in the young adult program, the person must have a high school

*diploma or equivalent, or agree to work towards a high school diploma or equivalent while participating in the program.*

*Subd. 5. [CORPS MEMBER STATUS.] Minnesota conservation corps members are not eligible for unemployment compensation or other benefits except workers' compensation, and are not employees of the state within the meaning of section 43A.02, subdivision 21.*

*Subd. 6. [FEES.] The commissioner may charge a fee for any service performed by the Minnesota conservation corps.*

*Subd. 7. [LIMITATIONS ON MINNESOTA CONSERVATION CORPS PROJECTS.] Each employing agency must certify that the assignment of Minnesota conservation corps members will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits. Supervising agencies that participate in the program may not terminate, lay off, reduce the seasonal hours, or reduce the working hours of any employee for the purpose of using a corps member with available funds. The positions and job duties of persons employed in projects shall be submitted to affected exclusive representatives prior to actual assignment.*

*Subd. 8. [EXPENDITURE OF CORPS FUNDS.] The commissioner shall allocate money received for Minnesota conservation corps work projects. An appropriation from a special revenue fund or account to the commissioner for Minnesota conservation corps programs must be spent for projects that are consistent with the purposes of the fund or account from which the appropriation was made.*

**Sec. 2. [REPEALER.]**

*Minnesota Statutes 1988, section 86.33, subdivisions 2 and 3, are repealed.*

**Sec. 3. [EFFECTIVE DATE.]**

*This act is effective July 1, 1989."*

Delete the title and insert:

"A bill for an act relating to natural resources; establishing the Minnesota conservation corps; prescribing powers and duties of the commissioner of natural resources; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1988, section 86.33, subdivisions 2 and 3."

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. 1041: A bill for an act relating to economic development; authorizing certain local jurisdictions to contribute to local or regional economic development organizations; 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 15, delete "*and the surrounding region*"

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. 54: A bill for an act relating to the city of Edina; authorizing the city to operate a public transit system and to acquire necessary equipment, land, and interests in land; permitting the establishment of special service districts in the city; providing that the city and the housing and redevelopment authority need not require competitive bidding and bonds in connection with certain redevelopment projects.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 3

Page 2, after line 36, insert:

*"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 Edina."*

Page 3, line 1, delete "4" and insert "3"

Renumber the sections in sequence

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. 1083: A bill for an act relating to the environment; providing an exemption process from the power plant siting requirements for certain generating plants; amending Minnesota Statutes 1988, section 116C.57, 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 1988, section 116C.57, is amended by adding a subdivision to read:

*Subd. 5a. [EXEMPTION OF CERTAIN SITES.] (a) A utility or person may apply to the board in a form and manner prescribed by the board to exempt the construction at a proposed site of a proposed electric power generating plant with a capacity between 50 and 80 megawatts from the requirements of sections 116C.51 to 116C.69. Within 15 days of the board's receipt of an exemption application, the utility or person shall:*

*(1) publish a notice and description of the exemption application in a legal newspaper of general circulation in the county of the proposed site;*

*(2) send a copy of the exemption application by certified mail to the chief executive of counties, home rule charter and statutory cities, and organized towns within ten miles of the proposed site; and*

(3) mail to each owner whose property is part of or contiguous to the proposed site a notice and description of the exemption application, together with an understandable description of the procedures the owner must follow should the owner desire to object.

(b) For the purpose of giving mailed notice under this subdivision, owners are the persons or entities shown on the tax records of the county auditor or, in a county where tax statements are mailed by the county treasurer, on the records of the county treasurer, but other appropriate records may be used to identify owners. Except for owners of tax exempt property or property taxed on a gross earnings basis, a property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived the mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the owner's name on the records for that purpose. The failure to give mailed notice to a property owner or defects in the notice does not invalidate the proceedings, if a good faith effort is made to comply with this subdivision.

(c) If a person who owns real property that is part of or contiguous to the proposed site or an affected political subdivision files an objection with the board within 60 days after the board receives an exemption application, the board must either deny the exemption application or conduct a public hearing to determine if the proposed electric power generating plant at the proposed site will cause any significant human or environmental impact.

(d) The board shall require environmental review under chapter 116D to assist in making its determination regarding potential significant human and environmental impact.

(e) If the board determines that the proposed plant has an electric power production capacity less than 80 megawatts and the proposed site will not have a significant human and environmental impact, the board may exempt the construction of the proposed plant at the proposed site from the requirements of sections 116C.51 to 116C.69 with any appropriate conditions.

(f) If an exemption is granted, the utility or person must comply with applicable state rules, local zoning, building, and land use rules, regulations, and ordinances of any regional, county, local, and special purpose governments in which the facility is to be located.

(g) The board may, by rule, require a fee to pay costs incurred in processing exemptions. An estimated cost for processing the exemption application must be discussed with the applicant and be approved by the board when an application is received. The applicant must remit 50 percent of the approved cost within 14 days of acceptance of the application. The balance is due within 30 days after receipt of an invoice from the board. Costs in excess of those approved must be certified by the board and charged to the applicant. Certification is prima facie evidence that the costs are reasonable and necessary. All money received pursuant to this subdivision must be deposited in a special account. Money in the account is appropriated to the board to pay expenses incurred in processing the application and in the event the expenses are less than the fee paid, to refund the excess to the applicant."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

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. 1174: A bill for an act relating to public lands; conditions for acceptance of transfers from the federal government; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Agriculture and Rural Development. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1026: A bill for an act relating to natural resources; promoting Minnesota horticultural peat; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Agriculture and Rural Development. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 110: A bill for an act relating to waters and watercraft safety; changing certain registration fees; amending Minnesota Statutes 1988, section 361.03, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 17 and 18, delete "16" and insert "17"

Page 1, line 21, delete "\$36" and insert "\$40"

Page 1, line 23, delete "\$48" and insert "\$60"

Page 1, line 24, delete "\$60" and insert "\$80"

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 re-referred

S.F. No. 764: A bill for an act relating to local government; changing conditions for the establishment and operation of special service districts in St. Cloud; amending Laws 1985, chapter 301, sections 5, subdivision 5; 7, subdivision 1; 9; 12; and 13, subdivision 2, and by adding a subdivision; repealing Laws 1985, chapter 301, section 7, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, lines 5, 6, and 7, delete "15" and insert "25"

Page 4, line 8, delete "individuals resident" and insert "business owners"

Page 5, line 24, delete "individuals" and insert "business owners"

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. 941: A bill for an act relating to Olmsted county; authorizing certain appropriations for economic and agricultural development.

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. 804: A bill for an act relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, before "The" insert "*Notwithstanding contrary provisions of chapter 106A,*"

Page 1, line 8, after the second comma, insert "*and satisfy the corresponding drainage liens*"

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. 245 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.
245	344				

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. 212 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.
212	247				

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. 1061 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.
1061	846				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1061 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1061 and insert the language after the enacting clause of S.F. No. 846, the first engrossment; further, delete the title of H.F. No. 1061 and insert the title of S.F. No. 846, the first engrossment.

And when so amended H.F. No. 1061 will be identical to S.F. No. 846, and further recommends that H.F. No. 1061 be given its second reading and substituted for S.F. No. 846, 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. 1511, 1184, 1483, 1175, 1321, 997, 1157, 1181, 1261, 1070, 1289, 921, 929, 1041, 1083 and 941 were read the second time.

### SECOND READING OF HOUSE BILLS

H.F. Nos. 804, 245, 212 and 1061 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Pehler moved that the name of Mr. Morse be added as a co-author to S.F. No. 253. The motion prevailed.

Mr. Frank moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1018. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pehler be added as a co-author to S.F. No. 1095. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1193. The motion prevailed.

Mr. Anderson moved that the name of Mr. Solon be added as a co-author to S.F. No. 1398. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1456. The motion prevailed.

Mrs. McQuaid moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 1503. The motion prevailed.

Mr. Freeman moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 1533. The motion prevailed.

Mr. Freeman moved that S.F. No. 1477 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Education. The motion prevailed.

S.F. No. 156 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 156

A bill for an act relating to gambling; authorizing the governor to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3.

April 11, 1989

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. 156, 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. 156 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [3.9221] [INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.]

*Subdivision 1. [DEFINITION.] For purposes of this section, “act” means the Indian gaming regulatory act, Public Law Number 100-497, and future amendments to it.*

*Subd. 2. [NEGOTIATIONS AUTHORIZED.] The governor or the governor's designated representatives shall, pursuant to section 11 of the act, negotiate in good faith a tribal-state compact regulating the conduct of class III gambling, as defined in section 4 of the act, on Indian lands of a tribe requesting negotiations. The agreement may include any provision authorized under section 11(d)(3)(C) of the act. The attorney general is the legal counsel for the governor or the governor's representatives in regard to negotiating a compact under this section.*

*Subd. 3. [TIME LIMITS.] (a) In the case of negotiations undertaken pursuant to a request for negotiations received before the effective date of*

*this act, the authority granted under subdivision 2 to negotiate with an Indian tribe expires 180 days after the effective date of this act.*

*(b) In the case of negotiations undertaken pursuant to a request for negotiations received after the effective date of this act, the authority granted under subdivision 2 to negotiate with an Indian tribe expires 180 days after receipt of the request by the governor.*

*Subd. 4. [TERMS OF COMPACT; RIGHTS OF PARTIES.] A compact agreed to on behalf of the state under this section must contain:*

*(1) a provision recognizing the right of each party to the agreement, including the legislature by joint resolution, to request that the agreement be renegotiated or replaced by a new compact, and providing the terms under which either party, including the legislature, can request a renegotiation or the negotiation of a new compact; and*

*(2) a provision that in the event of a request for a renegotiation or a new compact the existing compact will remain in effect until renegotiated or replaced.*

**Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to gambling; authorizing the governor or the governor's representatives to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Marilyn M. Lantry, Randolph W. Peterson

House Conferees: (Signed) Joseph Quinn, Becky Kelso

Mrs. Lantry moved that the foregoing recommendations and Conference Committee Report on S.F. No. 156 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. 156 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	Decker	Johnson, D.J.	Mehrkens	Ramstad
Belanger	DeCramer	Knaak	Merriam	Reichgott
Benson	Dicklich	Knutson	Metzen	Renneke
Berg	Diessner	Kroening	Moe, R.D.	Samuelson
Berglin	Frank	Laidig	Morse	Schmitz
Bernhagen	Frederick	Langseth	Pariseau	Solon
Bertram	Frederickson, D.J.	Lantry	Pehler	Spear
Brataas	Frederickson, D.R.	Larson	Peterson, D.C.	Storm
Chmielewski	Freeman	Lessard	Peterson, R.W.	Stumpf
Cohen	Gustafson	Marty	Piper	Taylor
Dahl	Hughes	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.E.	McQuaid	Purfeerst	Waldorf

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Piper moved that S.F. No. 1505 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 1586 be taken from the table. The motion prevailed.

H.F. No. 1586: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding; providing for an arbitration award.

Mr. Moe, R.D. moved that H.F. No. 1586 be laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of the Calendar.

### CALENDAR

S.F. No. 361: A bill for an act relating to insurance; no-fault auto; clarifying eligibility for economic loss benefits; amending Minnesota Statutes 1988, sections 65B.51, subdivision 2; and 65B.64, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Merriam	Ramstad
Beckman	DeCramer	Knutson	Metzen	Reichgott
Belanger	Dicklich	Kroening	Moe, D.M.	Renneke
Benson	Diessner	Laidig	Moe, R.D.	Samuelson
Berg	Frank	Langseth	Morse	Schmitz
Berglin	Frederick	Lantry	Novak	Solon
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pariseau	Storm
Brandl	Freeman	Luther	Pehler	Stumpf
Chmielewski	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.E.	McQuaid	Piper	Waldorf
Davis	Johnson, D.J.	Mehrrens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 223: 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 1988, section 169.121, 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 26 and nays 40, as follows:

Those who voted in the affirmative were:

Belanger	Dicklich	Marty	Novak	Spear
Berg	Frederickson, D.J.	Merriam	Peterson, D.C.	Stumpf
Bertram	Freeman	Metzen	Peterson, R.W.	
Chmielewski	Johnson, D.J.	Moe, D.M.	Piper	
Davis	Langseth	Moe, R.D.	Samuelson	
DeCramer	Lessard	Morse	Solon	

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.E.	McGowan	Ramstad
Beckman	Decker	Knaak	McQuaid	Reichgott
Benson	Diessner	Knutson	Mehrkens	Renneke
Berglin	Frank	Kroening	Olson	Schmitz
Bernhagen	Frederick	Laidig	Pariseau	Storm
Brandl	Frederickson, D.R.	Lantry	Pehler	Taylor
Brataas	Gustafson	Larson	Pogemiller	Vickerman
Cohen	Hughes	Luther	Purfeerst	Waldorf

So the bill failed to pass.

S.F. No. 297: A bill for an act relating to game and fish; authorizing party hunting for small game; authorizing party fishing by angling; proposing coding for new law in Minnesota Statutes, chapters 97B and 97C.

Was read the third time 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	Decker	Knaak	Merriam	Purfeerst
Beckman	DeCramer	Knutson	Metzen	Ramstad
Belanger	Dicklich	Kroening	Moe, D.M.	Reichgott
Benson	Diessner	Laidig	Moe, R.D.	Renneke
Berg	Frank	Langseth	Morse	Samuelson
Berglin	Frederick	Lantry	Novak	Schmitz
Bernhagen	Frederickson, D.J.	Larson	Olson	Solon
Bertram	Frederickson, D.R.	Lessard	Pariseau	Spear
Brandl	Freeman	Luther	Pehler	Storm
Chmielewski	Gustafson	Marty	Peterson, D.C.	Stumpf
Cohen	Hughes	McGowan	Peterson, R.W.	Taylor
Dahl	Johnson, D.E.	McQuaid	Piper	Vickerman
Davis	Johnson, D.J.	Mehrkens	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 299: 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 1988, 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 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Pogemiller
Beckman	Decker	Knaak	Merriam	Purfeerst
Belanger	DeCramer	Knutson	Metzen	Ramstad
Benson	Dicklich	Kroening	Moe, D.M.	Reichgott
Berg	Diessner	Laidig	Moe, R.D.	Renneke
Berglin	Frank	Langseth	Morse	Samuelson
Bernhagen	Frederick	Lantry	Novak	Schmitz
Bertram	Frederickson, D.J.	Larson	Olson	Solon
Brandl	Frederickson, D.R.	Lessard	Pariseau	Spear
Brataas	Freeman	Luther	Pehler	Storm
Chmielewski	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.E.	McQuaid	Piper	Waldorf

Mr. Stumpf voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1051: A resolution memorializing the Congress of the United States to reject pending legislation that would authorize the use of Minnesota waters for the transportation of coal and would grant the right of eminent domain of coal slurry pipelines.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Morse	Schmitz
Bernhagen	Frederick	Lantry	Novak	Solon
Bertram	Frederickson, D.J.	Larson	Olson	Spear
Brandl	Frederickson, D.R.	Lessard	Pariseau	Storm
Brataas	Freeman	Luther	Pehler	Stumpf
Chmielewski	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Piper	Vickerman
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf

So the resolution 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. Kroening, Brandl and Ramstad introduced—

S.F. No. 1541: A bill for an act relating to Hennepin county; providing for a chief administrative deputy sheriff in the unclassified service; amending Minnesota Statutes 1988, section 383B.32, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Metzen introduced—

S.F. No. 1542: A bill for an act relating to education; equalizing a portion of the referendum levy; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1543: A bill for an act relating to appropriations; providing planning funds for a Hinckley fire history center.

Referred to the Committee on Finance.

Messrs. Solon; Johnson, D.J.; Purfeerst and Dicklich introduced—

S.F. No. 1544: A bill for an act relating to state lands; authorizing exchange of interests in land between department of transportation and regional rail authority of St. Louis and Lake counties.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 1545: A bill for an act relating to rural development; providing for research and development; providing mechanisms for agriculture diversification; appropriating money; amending Laws 1985, chapter 19, section 2, subdivision 2, as amended, and section 6, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Hughes introduced—

S.F. No. 1546: A bill for an act relating to education; providing for a pupil exchange program between school districts; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

Messrs. Hughes and Novak introduced—

S.F. No. 1547: A bill for an act relating to education; establishing metropolitan teacher centers; authorizing a levy; amending Minnesota Statutes 1988, section 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Messrs. Merriam, Lessard, Mrs. McQuaid, Messrs. Dahl and Decker introduced—

S.F. No. 1548: A bill for an act relating to public safety; changing the definition of "dwelling"; authorizing more stringent local smoke detector requirements; creating the position of public fire safety educator; appropriating money; amending Minnesota Statutes 1988, section 299F.362, subdivisions 1, 9, and by adding a subdivision.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Luther introduced—

S.F. No. 1549: A resolution memorializing the Congress of the United States to continue to limit the scope of commercial aircraft maintenance performed outside the United States.

Referred to the Committee on Transportation.

Ms. Peterson, D.C. introduced—

S.F. No. 1550: A bill for an act relating to financial institutions; amending Minnesota Statutes 1988, sections 46.041, subdivision 2; 47.015, subdivision 1; 47.101, subdivision 2; 47.16, subdivision 1; 47.54, subdivision 1; 48.475, subdivision 3; 48.48, subdivision 1; 49.24, subdivision 9; 49.33; 49.34, subdivision 1; 49.35; 49.36, subdivision 1; 49.37; 49.38; 49.39; 49.40; 49.41; 53.015; 53.02; 53.03, subdivisions 1 and 5; 53.05; 53.06; 53.08; 53.09, subdivision 3; 54.294, subdivision 1; 56.131, subdivision 1; and 56.155, subdivision 2.

Referred to the Committee on Commerce.

Mr. Morse, Mrs. Lantry, Messrs. Decker and Dicklich introduced—

S.F. No. 1551: A bill for an act relating to education; requiring students on all HECB advisory groups; amending Minnesota Statutes 1988, section 136A.02, subdivision 7, and by adding a subdivision.

Referred to the Committee on Education.

Mr. Lessard introduced—

S.F. No. 1552: A bill for an act relating to economic development; providing for economic development in the city of Northome; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Benson introduced—

S.F. No. 1553: A bill for an act relating to education; approving a capital loan to the Preston-Fountain school district.

Referred to the Committee on Education.

Ms. Reichgott, Messrs. Merriam, Benson and Peterson, R.W. introduced—

S.F. No. 1554: A bill for an act relating to tax increment financing; imposing restrictions on the collection and expenditure of tax increments; amending Minnesota Statutes 1988, sections 469.174, subdivision 10, and by adding a subdivision; 469.176, subdivision 1, and by adding a subdivision; 469.177, subdivision 10; and Laws 1988, chapter 719, article 12, section 30, as amended; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Economic Development and Housing.



Messrs. Merriam, Dahl, McGowan, Luther and Novak introduced—

S.F. No. 1555: A bill for an act relating to education; creating a discretionary revenue program; authorizing a levy; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Messrs. Merriam, Dahl, McGowan, Luther and Novak introduced—

S.F. No. 1556: A bill for an act relating to education; adding a method for a school district to be eligible for AFDC pupil units; amending Minnesota Statutes 1988, section 124.17, by adding a subdivision; repealing Minnesota Statutes 1988, section 124.17, subdivision 1b.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 1557: A bill for an act relating to education; proposing the Minnesota future teachers task force; appropriating money.

Referred to the Committee on Education.

Messrs. Stumpf, Purfeerst, Langseth and Novak introduced—

S.F. No. 1558: A bill for an act relating to transportation; creating legislative study commission to study and report on the AMTRAK Northstar rail line between Duluth and Minneapolis-St. Paul; appropriating money.

Referred to the Committee on Transportation.

Mr. Frederickson, D.J. introduced—

S.F. No. 1559: A bill for an act relating to human services; excluding German war reparation payments from amounts applied to the costs of nursing home care; amending Minnesota Statutes 1988, section 256B.056, subdivision 5.

Referred to the Committee on Health and Human Services.

Messrs. Solon, Metzen, Freeman, Schmitz and Belanger introduced—

S.F. No. 1560: A bill for an act relating to commerce; creating a lien for public improvements and expenditures made for the benefit of certain corporations; proposing coding for new law in Minnesota Statutes, chapter 514.

Referred to the Committee on Commerce.

Messrs. Stumpf; Moe, R.D. and Davis introduced—

S.F. No. 1561: A bill for an act relating to agriculture; appropriating money for agriculture information centers.

Referred to the Committee on Agriculture and Rural Development.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1586 be taken from the table. The motion prevailed.

H.F. No. 1586: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding; providing for an arbitration award.

### 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. 1586 and that the rules of the Senate be so far suspended as to give H.F. No. 1586 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1586 was read the second time.

H.F. No. 1586 was read the third time 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	Purfeerst
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Moe, D.M.	Reichgott
Benson	Dicklich	Kroening	Moe, R.D.	Renneke
Berg	Diessner	Laidig	Morse	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pariseau	Storm
Brandl	Frederickson, D.R.	Lessard	Pehler	Stumpf
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 17, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTY-SECOND DAY

St. Paul, Minnesota, Monday, April 17, 1989

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. Peter Geisendorfer-Lindgren.

The roll was called, and the following Senators answered to their names:

Adkins	DeCramer	Kroening	Moe, D.M.	Reichgott
Beckman	Dicklich	Laidig	Moe, R.D.	Renneke
Belanger	Diessner	Langseth	Morse	Samuelson
Benson	Frank	Lantry	Novak	Schmitz
Berglin	Frederick	Larson	Olson	Solon
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Spear
Bertram	Frederickson, D.R.	Luther	Pehler	Storm
Brandl	Freeman	Marty	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	
Davis	Knaak	Merriam	Purfeerst	
Decker	Knutson	Metzen	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. Anderson, Berg and Hughes 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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 358: A bill for an act relating to liquor; clarifying license eligibility; changing the time of sale on certain holidays; allowing for the dispensing of samples of malt liquor; amending Minnesota Statutes 1988, sections 340A.402; 340A.504, subdivisions 2, 3, and 4; and 340A.510.

Senate File No. 358 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1989

### CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 358 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 358: A bill for an act relating to liquor; clarifying license eligibility; changing the time of sale on certain holidays; allowing for the dispensing of samples of malt liquor; repealing bond requirement for retail licensees; authorizing the town board of Canosia township to issue an off-sale license; amending Minnesota Statutes 1988, sections 340A.402; 340A.405, subdivision 1; 340A.504, subdivisions 2, 3, and 4; and 340A.510; repealing Minnesota Statutes 1988, section 340A.412, subdivision 1.

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 52 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Johnson, D.J.	Metzen	Samuelson
Beckman	DeCramer	Knaak	Moe, D.M.	Schmitz
Belanger	Dicklich	Knutson	Moe, R.D.	Solon
Benson	Diessner	Kroening	Morse	Spear
Berglin	Frank	Langseth	Novak	Storm
Bertram	Frederick	Lantry	Pariseau	Stumpf
Brandl	Frederickson, D.J.	Lessard	Pehler	Vickerman
Chmielewski	Frederickson, D.R.	Luther	Peterson, D.C.	Waldorf
Cohen	Freeman	McGowan	Piper	
Dahl	Gustafson	McQuaid	Pogemiller	
Davis	Johnson, D.E.	Mehrkens	Purfeerst	

Those who voted in the negative were:

Bernhagen	Larson	Olson	Ramstad	Renneke
Laidig	Merriam	Peterson, R.W.		

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. 156, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 156: A bill for an act relating to gambling; authorizing the governor to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3.

Senate File No. 156 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1989

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. 227: A bill for an act relating to health; enacting the uniform determination of death act; proposing coding for new law in Minnesota Statutes, chapter 145.

There has been appointed as such committee on the part of the House: Quinn, Carruthers and Dempsey.

Senate File No. 227 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 702:

H.F. No. 702: A bill for an act relating to crime; expanding the crime of failure to appear for a criminal court appearance; specifying the attorney with jurisdiction to prosecute the crime; prescribing penalties; amending Minnesota Statutes 1988, section 609.49.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Wagenius, Bishop and Kelly have been appointed as such committee on the part of the House.

House File No. 702 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 13, 1989

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 702, 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. 159, 169, 438, 505, 611 and 719.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 13, 1989

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 159: A bill for an act relating to crimes; providing for termination, cancellation, and forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1988, sections 566.02; 609.531; 609.5311, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 566 and 609.

Referred to the Committee on Judiciary.

H.F. No. 169: A bill for an act relating to game and fish; authorizing elderly residents to take fish by spearing without a license; amending Minnesota Statutes 1988, section 97A.451, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 438: A bill for an act relating to courts; specifying the income standard for proceeding in forma pauperis; amending Minnesota Statutes 1988, section 563.01, subdivision 3.

Referred to the Committee on Judiciary.

H.F. No. 505: A bill for an act relating to veterans; removing a limitation on veterans in the category of protected groups for the purpose of state employment; amending Minnesota Statutes 1988, section 43A.02, subdivision 33.

Referred to the Committee on Governmental Operations.

H.F. No. 611: A bill for an act relating to insurance; regulating agent licensing; regulating Medicare supplement plans; modifying required levels of coverages; prescribing penalties; amending Minnesota Statutes 1988, sections 60A.17, subdivision 6c, and by adding a subdivision; 62A.31, subdivisions 1 and 2; 62A.41; 62D.104; 62D.121, subdivision 3; 62D.181, subdivision 4; 62E.07; and 62E.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1988, sections 62A.32; 62A.33; 62A.34; 62A.35; and Minnesota Rules, part 2795.0900.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1014, now on General Orders.

H.F. No. 719: A bill for an act relating to economic development; authorizing certain local jurisdictions to contribute to local or regional economic development organizations; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1041, 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 reports on S.F. Nos. 957, 1524, 366,

1196 and 1173. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 459: A bill for an act relating to local government; granting certain water and sewer powers to towns; amending Minnesota Statutes 1988, sections 444.075, subdivision 1; 444.16; 444.17; 444.18; 444.19; and 444.20.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 13 and 24, before the period, insert "*that is not in an orderly annexation process on the date of enactment of this act*"

Page 3, after line 35, insert:

"Sec. 7. [EFFECTIVE DATE.]

*Sections 1 to 6 are effective the day following final enactment."*

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. 462: A bill for an act relating to judicial procedure; clarifying, modifying, and recodifying tax court powers and procedures; making technical corrections and eliminating redundant and unnecessary language and obsolete references; amending Minnesota Statutes 1988, sections 270.07, subdivision 1; 270.10, by adding a subdivision; 271.01, subdivisions 1 and 5; 271.02; 271.04; 271.06, subdivisions 1, 2, 3, and 7; 271.07; 271.13; 271.15; 271.17; 271.18; 271.21, subdivisions 2 and 10; 277.011, subdivision 7; 278.01, subdivision 1; 278.02; 278.05, subdivision 4; 278.08, subdivision 1; 297.43, subdivision 1; and 297C.14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1988, sections 60A.151; 271.01, subdivision 6; 271.061; 271.21, subdivision 4; and 271.22.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 26, delete the new language

Page 3, line 5, delete "*real and personal property*"

Page 3, line 6, after "*taxes*" insert "*other than gross earnings taxes*"

Page 4, line 8, after "(a)" insert "*with respect to the reduction or abatement of real or personal property taxes*"

Page 16, line 21, strike "school" and insert "*education*"

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. 65: A bill for an act relating to economic development; authorizing local jurisdictions involved in economic development to participate in secondary markets; proposing coding for new law in Minnesota Statutes, chapter 465.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1332: A bill for an act relating to agriculture; increasing the value for destroyed livestock; amending Minnesota Statutes 1988, section 3.737, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, after the second "is" insert "*irreparably*" and strike "so that it must be destroyed"

Page 1, line 19, after "destroyed" insert "*or irreparably crippled*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1377: A bill for an act relating to wild rice; clarifying requirements on packaging and labeling; requiring disclosure of origin; authorizing the construction of a greenhouse facility for the study of wild rice; providing technical assistance for marketing; appropriating money; amending Minnesota Statutes 1988, section 30.49.

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.]

*This act may be cited as the "Minnesota wild rice preservation act of 1989" or "manomin act."*

Sec. 2. Minnesota Statutes 1988, section 30.49, is amended to read:

30.49 [~~PADDY GROWN~~ WILD RICE LABELING.]

*Subdivision 1. [CULTIVATED WILD RICE.] All (a) Except as provided in paragraph (b), wild rice ~~which~~ containing a portion of wild rice that is cultivated ~~which is~~ and offered for wholesale or retail sale in this state ~~shall~~ must be plainly and conspicuously labeled as either "paddy grown" or as "cultivated" in letters of a size and form prescribed by the commissioner.*

*(b) Cultivated wild rice sold for international commerce is exempt from this subdivision.*

*Subd. 2. [HAND-HARVESTED WILD RICE.] (a) A package containing only 100 percent hand-harvested wild rice from the public waters of the*



state that is offered for sale at wholesale or retail sale in this state may be plainly and conspicuously labeled as "100 percent naturally grown, lake and river harvested" in letters of a size and form prescribed by the commissioner. A package of wild rice labeled "100 percent naturally grown, lake and river harvested" must also contain the license number issued under section 84.152 of the last licensed dealer to handle the wild rice.

(b) A package that does not contain 100 percent hand-harvested wild rice from the public waters of the state may not contain a label authorized under paragraph (a).

Subd. 3. [RECORDS.] (a) A person who buys, sells, processes, or markets wild rice must maintain the following records and shall submit annual reports on or before December 31 of each year to the commissioners of agriculture and natural resources.

(b) The report must contain:

- (1) the date of each transaction;
- (2) the quantity of wild rice bought or sold;
- (3) an identification of whether the wild rice is cultivated or paddy grown, or whether it is naturally grown lake and river harvested wild rice;
- (4) the names and addresses of the parties of the transaction and the department of natural resources license or permit numbers;
- (5) the lot numbers of all the wild rice bought or sold in each transaction; and
- (6) documents that track the rice, by lot number, through processing and the assignment of a final lot number on the finished product offered for distribution or sale in Minnesota.

Subd. 4. [FAIR PACKAGING AND LABELING.] Hand-harvested wild rice from public waters and cultivated or paddy grown wild rice are separate and distinct ingredients under the fair packaging and labeling provisions of section 31.103.

Subd. 5. [MISBRANDING RELATING TO INDIAN GROWN, HARVESTED, OR PROCESSED.] A wild rice label that implies the wild rice is grown, harvested, or processed by Native American Indians is misbranded unless the wild rice is grown, harvested, and processed by an entity that is owned by 51 percent or more persons who are members of federally enrolled tribes.

Subd. 6. [PACKAGED BLENDED RICE AND READY TO EAT RICE.] A package containing a blend of wild rice and at least 40 percent other grains or food products, and puffed or ready to eat wild rice are exempt from this section, except subdivisions 3, 5 and 7.

Subd. 7. [PENALTY.] Any person who ~~sells wild rice at wholesale or retail which is not labeled as required by~~ violates this section is guilty of a misdemeanor.

Sec. 3. [30.495] [MINNESOTA INDIAN WILD RICE PROMOTION COUNCIL.]

The Minnesota Indian wild rice promotion council is established for the promotion and marketing of hand-harvested wild rice. The membership and organization of the council is subject to sections 17.54, subdivisions

2, 3, 4, 5, 6, and 7; 17.56 to 17.63; 17.67; and 17.69.

Sec. 4. [REPEALER.]

*Minnesota Statutes 1988, section 84.152, subdivision 5, is repealed.*

Sec. 5. [APPROPRIATION.]

*§ . . . . . is appropriated to the department of agriculture for the purpose of managing the tracking system established in section 2, subdivision 3. The appropriation is for the biennium ending June 30, 1991.*

Sec. 6. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the commissioner of agriculture to establish a year-round greenhouse in the Grand Rapids area for the purpose of experimentation on the culture of wild rice. The purpose of this greenhouse is to allow Minnesota to keep a competitive position in the industry. This appropriation is available for the biennium ending June 30, 1991.*

Sec. 7. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the Minnesota Chippewa Tribe for payment to the Minnesota Indian wild rice promotion council to promote and market wild rice as provided in the council's promotional order. The appropriation is available until expended."*

Amend the title as follows:

Page 1, line 7, before the period, insert “; proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1988, section 84.152, subdivision 5”

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 re-referred

S.F. No. 1339: A bill for an act relating to drivers' licenses; appropriating money to the commissioner of public safety to improve driver license security and legibility.

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. 1197: A bill for an act relating to natural resources; establishing a task force to study and report on metropolitan water management issues; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 14, delete “of the board of water and soil resources”

Page 2, line 15, after “members” insert “of the board of water and soil resources”

Page 3, line 2, delete “Minnesota intergovernmental county” and insert

“metropolitan inter-county”

Page 3, delete subdivision 3

Page 3, line 16, delete “4” and insert “3”

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. 366: A bill for an act relating to crimes; prohibiting the ownership, possession, or operation of semi-automatic assault rifles except under certain circumstances; amending Minnesota Statutes 1988, section 609.67, subdivisions 1, 2, 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 1988, section 609.11, is amended by adding a subdivision to read:

*Subd. 5a. [ILLEGAL WEAPON.] (a) Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, had in possession an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than two years nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, had in possession an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than six years nor more than the maximum sentence provided by law.*

*(b) Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than six years nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than ten years nor more than the maximum sentence provided by law.*

*(c) For purposes of this subdivision, “illegal weapon” means a military assault weapon, machine gun, or short-barreled shotgun as defined in section 609.67; a firearm, as defined in section 97A.015, subdivision 19, that is equipped with a silencer or equipped to have a silencer attached; a Saturday night special, as defined in section 624.712, subdivision 4; or a firearm for which a permit is required under section 624.7131 if the defendant did not have a lawful permit for the firearm at the time of the offense.*

Sec. 2. [609.662] [PERMISSIVE INFERENCE; FIREARMS IN AUTOMOBILES.]

*The presence of a firearm in a passenger automobile creates an inference of knowing possession of the firearm by the driver or person in control of the automobile when the firearm was in the automobile. The inference does not apply:*

*(1) to a duly licensed operator of an automobile who is at the time operating it for hire in the lawful and proper pursuit of the operator's trade;*

*(2) to any person in the automobile if one of them legally possesses a firearm; or*

*(3) when the firearm is concealed on the person of one of the occupants.*

Sec. 3. Minnesota Statutes 1988, section 609.67, is amended to read:

609.67 [MACHINE GUNS, MILITARY ASSAULT WEAPONS AND SHORT-BARRELED SHOTGUNS.]

Subdivision 1. [DEFINITION.] (a) "Machine gun" means any firearm designed to discharge, or capable of discharging automatically more than once by a single function of the trigger.

(b) "Shotgun" means a weapon designed, redesigned, made or remade which is intended to be fired from the shoulder and uses the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number of ball shot or a single projectile for each single pull of the trigger.

(c) "Short-barreled shotgun" means a shotgun having one or more barrels less than 18 inches in length and any weapon made from a shotgun if such weapon as modified has an overall length less than 26 inches.

(d) "Military assault weapon" means:

(1) any of the following weapons:

(i) any Algimec AGM-1 semiautomatic firearm;

(ii) any AR-100 semiautomatic firearm;

(iii) any Armalite AR-180 semiautomatic firearm;

(iv) any Australian Automatic Arms semiautomatic firearm;

(v) any Avtomat Kalashnikov semiautomatic firearm;

(vi) any Beretta AR-70 or BM-59 semiautomatic firearm;

(vii) any CETME G-35A semiautomatic firearm;

(viii) any Chartered Industries of Singapore (CIS) SR-88 semiautomatic firearm;

(ix) any Daewoo K1 or K2 semiautomatic firearm;

(x) any Erma EM-1 semiautomatic firearm;

(xi) any FAMAS MAS-223 semiautomatic firearm;

(xii) any FN-FAL or FN-FNC semiautomatic firearm;

(xiii) any Galil AR, ARM, or 22-type semiautomatic firearm;

(xiv) any Heckler & Koch HK-91, HK-93, or HK-94 semiautomatic firearm;

(xv) any Ingram M-10 or M-11 semiautomatic firearm;

- (xvi) any Intratec TEC-9 or TEC-22 semiautomatic firearm;
- (xvii) any M-14 or M-16 semiautomatic firearm;
- (xviii) any Norinco SKS semiautomatic firearm;
- (xix) any shotgun with a revolving cylinder of the "street sweeper" or striker-12 type;
- (xx) any Sigarms SIG-550 or SIG-551 semiautomatic firearm;
- (xxi) any Steyr A.U.G. semiautomatic firearm;
- (xxii) any Unique F-11 semiautomatic firearm;
- (xxiii) any UZI semiautomatic firearm;
- (xxiv) any Valmet M-76 or M-78 semiautomatic firearm;

(2) any firearm that is another model made by the same manufacturer as one of the firearms listed in clause (1); has the same action design as one of the listed firearms; and has a slight modification or enhancement including but not limited to a folding or retractable stock; adjustable sight; case deflector for left-handed shooters; shorter barrel; wooden, plastic, or metal stock; larger clip size; different caliber; or a bayonet mount;

(3) any other firearm with an action design identical or nearly identical to the listed firearms that is a redesigned, renamed, or renumbered version of, or is patterned after, a listed firearm, regardless of the company of production or country of origin; and

(4) any firearm that has been manufactured or sold by another company under a licensing agreement to manufacture or sell firearms that are identical or nearly identical to those listed in clause (1), or described in clause (2) or (3), regardless of the company of production or country of origin.

Subd. 2. [ACTS PROHIBITED.] Except as otherwise provided herein, whoever owns, possesses, or operates a machine gun, a military assault weapon, or a short-barreled shotgun may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [USES PERMITTED.] The following persons may own or possess a machine gun, military assault weapon, or short-barreled shotgun provided the provisions of subdivision 4 are complied with:

- (1) law enforcement officers for use in the course of their duties;
- (2) chief executive officers of correctional facilities and other personnel thereof authorized by them and persons in charge of other institutions for the retention of persons convicted or accused of crime, for use in the course of their duties;
- (3) persons possessing machine guns, military assault weapons, or short-barreled shotguns which, although designed as weapons, have been determined by the superintendent of the bureau of criminal apprehension or the superintendent's delegate by reason of the date of manufacture, value, design or other characteristics to be primarily collector's items, relics, museum pieces or objects of curiosity, ornaments or keepsakes, and are not likely to be used as weapons;
- (4) manufacturers of ammunition who possess and use machine guns or

*military assault weapons* for the sole purpose of testing ammunition manufactured for sale to law enforcement agencies and correctional facilities; and

(5) dealers and manufacturers who are federally licensed to buy and sell, or manufacture machine guns, *military assault weapons*, or short-barreled shotguns and who either use the machine guns, *military assault weapons*, or short-barreled shotguns in peace officer training under courses approved by the board of peace officer standards and training, or are engaged in the sale of machine guns, *military assault weapons*, or short-barreled shotguns to Minnesota law enforcement agencies and will use the machine gun, *military assault weapon*, or short-barreled shotgun for law enforcement sales demonstrations.

Subd. 4. [REPORT REQUIRED.] (a) A person owning or possessing a machine gun, *military assault weapon*, or short-barreled shotgun as authorized by subdivision 3, clause (1), (2), (3), or (4) shall, within ten days after acquiring such ownership or possession, file a written report with the bureau of criminal apprehension, showing the person's name and address; the person's official title and position, if any; a description of the machine gun, *military assault weapon*, or short-barreled shotgun sufficient to enable identification thereof; the purpose for which it is owned or possessed; and such further information as the bureau may reasonably require.

(b) A dealer or manufacturer owning or having a machine gun, *military assault weapon*, or short-barreled shotgun as authorized by subdivision 3, clause (5) shall, by the tenth day of each month, file a written report with the bureau of criminal apprehension showing the name and address of the dealer or manufacturer and the serial number of each machine gun, *military assault weapon*, or short-barreled shotgun acquired or manufactured during the previous month.

Subd. 4a. [EXISTING OWNERS OF MILITARY ASSAULT WEAPONS; PERMIT.] *Any person not exempted by subdivision 3 or 5 who lawfully owns or possesses a military assault weapon before the effective date of this section may continue to own or possess the weapon if the person obtains a permit as provided in section 4 on or before September 1, 1989.*

Subd. 5. [EXCEPTIONS.] This section does not apply to members of the armed services of either the United States or the state of Minnesota for use in the course of their duties.

Subd. 6. [PREEMPTION.] Laws 1977, chapter 255, supersedes all local ordinances, rules and regulations.

Sec. 4. [624.7171] [MILITARY ASSAULT WEAPONS; LIFETIME PERMIT PROCEDURE.]

Subdivision 1. [ELIGIBILITY.] *A person who owns or possesses a military assault weapon, as defined in section 3, before the effective date of that section, may obtain, on or before September 1, 1989, a lifetime permit to continue to own or possess the weapon. The permit must be granted to any person described in this subdivision.*

Subd. 2. [PERMIT PROCEDURES.] *Except as otherwise provided in this section, the procedures contained in section 624.7131, subdivisions 1, 3, 11, and 12, for pistol transferee permits shall apply to military assault weapon lifetime permit applications.*

Subd. 3. [EFFECT.] *The permit holder is entitled to keep and carry the*

*weapon at the locations described in section 624.714, subdivision 9. The permit does not entitle the person to keep or carry the military assault weapon at any other location.*

*Subd. 4. [PENALTIES.] Any person covered by section 3 who commits any of the following acts is guilty of a crime and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both:*

*(1) owns or possesses a military assault weapon after September 1, 1989, without having obtained a permit under this section; or*

*(2) keeps or carries a military assault weapon at a location not authorized by a permit granted under this section.*

Sec. 5. [DECLARATION OF INTENT.]

*It is the intent of the legislature, in enacting sections 3 and 4, to place reasonable and necessary restrictions on the ownership, possession, and use of military assault weapons as defined in section 3. It is not the intent of the legislature, in enacting sections 3 and 4, to place restrictions on the ownership, possession, or use of those weapons designed and intended for hunting, target practice, or other legitimate sports or recreational activities.*

Sec. 6. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective August 1, 1989, and apply to crimes committed on or after that date. Sections 3 to 5 are effective the day following final enactment and apply to crimes committed on or after that date."*

Delete the title and insert:

"A bill for an act relating to crimes; increasing penalties for felonies committed with an illegal weapon; creating a permissive inference of possession with respect to a firearm in an automobile; prohibiting the ownership, possession, or operation of military assault weapons except under certain circumstances; requiring the issuance of permits to existing owners of military assault weapons; defining terms; providing penalties; amending Minnesota Statutes 1988, sections 609.11, by adding a subdivision; and 609.67; proposing coding for new law in Minnesota Statutes, chapters 609 and 624."

And when so amended the bill do pass. Mr. Laidig questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1343: A bill for an act relating to education; providing a temporary funding adjustment to the state university board.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, after the first "the" insert "board of regents of the University of Minnesota, the" and after "board" insert ", the state board for community colleges, and the state board of vocational technical education" and delete "board's"

Amend the title as follows:

Page 1, line 3, delete "the state university board" and insert "all post-secondary boards"

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 1185: A bill for an act relating to veterans; appropriating money for use by the Vietnam Veterans of America in assisting veterans to make claims against the United States government.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete "\$20,000" and insert "\$30,000" and delete "to the"

Page 1, line 15, delete "*commissioner of veterans affairs for disbursement*"

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. 721: A bill for an act relating to taxation; providing a schedule for distribution of political campaign checkoff money to political parties; amending Minnesota Statutes 1988, section 10A.31, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 30, after the period, insert "*If the amount of total payments received before September 15 is greater than the amount certified by the commissioner of revenue on September 15, the total amount of payments distributed between September 1 and December 31 must be reduced by the amount of the overpayment.*"

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. 4: 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; 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; imposing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7, 10, 10b, 15, and by adding subdivisions; 10A.25, subdivision 10, and by adding a subdivision; 10A.255; 10A.27, by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1 to 3, 5 to 11, and by adding subdivisions; 10A.33; and 10A.335; proposing coding for new law in Minnesota Statutes, chapter



10A; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; and 10A.32.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 31, delete "\$4,000,000" and insert "\$3,000,000"

Page 5, line 32, delete "\$400,000" and insert "\$300,000"

Page 6, delete section 13 and insert:

"Sec. 13. Minnesota Statutes 1988, section 10A.25, subdivision 10, is amended to read:

Subd. 10. The expenditure limits imposed by this section apply only to candidates *and congressional candidates* whose *major political party* opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of an allocation of money from the state elections campaign fund.

A candidate *or a congressional candidate of a major political party* who agrees to be bound by the limits and receives a public subsidy, who has an opponent who: (1) *is a candidate of a major political party*; and (2) does not agree to be bound by the limits but is otherwise eligible to receive a public subsidy, is no longer bound by the limits but is still eligible to receive a public subsidy."

Page 7, line 27, delete "1990" and insert "1992" in both places

Page 7, line 33, delete "\$4,000,000" and insert "\$3,000,000" and delete "\$400,000" and insert "\$300,000"

Pages 10 to 12, delete sections 18 to 21 and insert:

"Sec. 18. Minnesota Statutes 1988, section 10A.30, subdivision 2, is amended to read:

Subd. 2. Within the state elections campaign fund account there shall be maintained: (1) a separate *political party* account for the candidates of each political party ~~and~~, (2) a general account, (3) a separate *political party account for the congressional candidates of each political party*, and (4) a congressional general account. Money must be divided equally between the state accounts and the congressional accounts.

Sec. 19. Minnesota Statutes 1988, 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 ~~\$\$~~ \$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 ~~\$\$~~ \$10 shall be paid. No individual shall be allowed to designate ~~\$\$~~ \$10 more than once in any year.

Sec. 20. Minnesota Statutes 1988, section 10A.31, subdivision 2, is amended to read:

Subd. 2. The taxpayer may designate that ~~the amount designated~~: (1) \$10 be paid into the account of a political party ~~or into the general account~~

for congressional and state candidates or (2) \$10 be paid into the congressional and state general accounts, to be divided equally between the accounts.

Sec. 21. Minnesota Statutes 1988, 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 allocate ~~\$5 \$10~~ (\$10 \$20 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates *and congressional candidates*. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the ~~\$5 \$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."

Page 22, line 24, delete "candidate or"

Page 22, line 25, delete "private" and insert "nonpublic"

Page 25, delete sections 38 and 39

Page 25, after line 32, insert:

"Sec. 39. [EFFECTIVE DATE.]

*Sections 1 to 38 are effective the day following final enactment."*

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "limiting"

Page 1, delete lines 6 to 9

Page 1, line 10, delete "candidates;"

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. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 89: A bill for an act relating to ethics; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; and discontinuing the state ethical practices board responsibility for developing and furnishing certain forms; amending Minnesota Statutes 1988, sections 10A.04, subdivision 2; 10A.275; and 383B.055, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1988, section 10A.04, subdivision 4a, is amended to read:

Subd. 4a. If in any reporting period the lobbyist's reportable disbursements total not over \$100 and no honorarium, gift, loan, item or benefit equal in value to \$50 or more was given or paid to any public official, a statement to that effect in lieu of the report may be filed for that period. The unreported disbursements shall be included in the report for the following period, unless the total for that period, including the carryover, is not over \$100. The ~~October~~ *January* 15 report shall include all previously unreported disbursements, even though the total for the year is not over \$100."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "subdivision 2" and insert "subdivisions 2 and 4a"

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. 1074: A bill for an act relating to elections; making various changes in laws applicable to school district elections; amending Minnesota Statutes 1988, sections 201.071, subdivision 3; 203B.08, subdivision 3; 204B.08, subdivision 3; 204B.14, subdivision 5; 204B.17; 204B.44; 204C.22, subdivisions 9, 10, 15, and by adding a subdivision; 204D.04, subdivision 2; 205A.05, subdivision 1; 205A.07, by adding a subdivision; 205A.09, subdivision 2; 205A.10, subdivisions 2 and 3; 205A.11; 205A.12, subdivision 2; 209.02, subdivision 1; 209.021, subdivision 1; 209.03; 209.09, subdivision 1; and 211A.01, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 21, after "*check*" insert "*, acceptable to the official responsible for printing the ballots,*"

Pages 6 and 7, delete section 12 and insert:

"Sec. 12. Minnesota Statutes 1988, section 205A.05, subdivision 1, is amended to read:

Subdivision 1. [QUESTIONS.] Special elections must be held for a school district on a question on which the voters are authorized by law to pass judgment. The school board may on its own motion call a special election to vote on any matter requiring approval of the voters of a district. Upon petition of 50 or more voters of the school district or five percent of the number of voters voting at the preceding regular school district election, the school board shall by resolution call a special election to vote on any matter requiring approval of the voters of a district. A question is carried only with the majority in its favor required by law. The election officials for a special election are the same as for the most recent school district general election unless changed according to law. Otherwise, special elections must be conducted and the returns made in the manner provided for the school district general election. A special election may not be held during the ~~20~~ 30 days before and the 30 days after ~~any regularly scheduled statewide the state primary or state general election or.~~ *In addition, a*

*special election may not be held during the 20 days before and the 20 days after any regularly scheduled election of a municipality wholly or partially within the school district. Notwithstanding any other law to the contrary, the time period in which a special election must be conducted under any other law may be extended by the school board to conform with the requirements of this subdivision."*

Pages 9 and 10, delete section 18

Re number the sections in sequence

Amend the title as follows:

Page 1, lines 10 and 11, delete "205A.12, subdivision 2;"

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. 1168: A bill for an act relating to insurance; requiring insurers to pay the insured's deductible first when recovering from an uninsured motorist under a subrogation claim; amending Minnesota Statutes 1988, section 72A.201, subdivision 6.

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. 698: A bill for an act relating to motor vehicles; defining physically handicapped person for purposes of obtaining special license plates; amending Minnesota Statutes 1988, section 169.345, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, delete "or"

Page 2, line 4, delete "an affliction" and insert "a disability" and delete "to such an"

Page 2, line 5, delete "extent that" and insert "by"

Page 2, line 6, after "conditions" insert "to an extent that" and before the period, insert "; or

*(9) has lost an arm or a leg and cannot use an artificial limb"*

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. 1248: A bill for an act relating to traffic regulations; prohibiting the towing of motor vehicles for traffic violations for a period of 12 hours unless moving the vehicle is necessary to relieve a safety problem; amending Minnesota Statutes 1988, section 169.04.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [169.041] [TOWING AUTHORIZED.]

*Subdivision 1. [TOWING AUTHORITY.] For purposes of this section, “towing authority” means:*

*(1) with respect to towing a motor vehicle from a public street, any local authority authorized by section 169.04 to enforce the traffic laws with respect to that public street; and*

*(2) with respect to towing a motor vehicle from a restricted parking area that is on privately owned nonresidential land, the owner or operator of the parking area or, if the parking area is adjacent to a commercial establishment, the owner or operator of that establishment.*

*Subd. 2. [FOUR-HOUR WAITING PERIOD.] In enforcing state and local parking and traffic laws, a towing authority may not allow or require the towing of a motor vehicle for a parking or traffic violation until four hours after issuance of the traffic ticket or citation, except as provided in this section. A towing authority may not allow or require the towing of a motor vehicle from a restricted parking area on private land until the vehicle has been in violation of the parking restriction for at least four hours.*

*Subd. 3. [TOWING ALLOWED.] A towing authority may tow a motor vehicle without regard to the four-hour waiting period if:*

- (1) the vehicle is parked in violation of snow emergency regulations;*
- (2) the vehicle is parked in a rush-hour restricted parking area between the hours of 7:00 a.m. and 9:00 a.m. or 4:15 p.m. and 6:00 p.m. on a weekday;*
- (3) the vehicle is blocking a driveway, alley, or fire hydrant;*
- (4) the vehicle is parked in a bus lane where parking is prohibited;*
- (5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;*
- (6) the vehicle is parked in a handicap transfer zone or handicapped parking space without a handicapped parking certificate or handicapped license plates;*
- (7) the vehicle is parked in an area that has been posted for restricted parking at least 24 hours in advance;*
- (8) the vehicle is parked within the right-of-way of a controlled access highway;*
- (9) a law enforcement official has probable cause to believe that the vehicle is stolen, or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably necessary to obtain or preserve the evidence;*
- (10) the driver, operator, or person in physical control of the vehicle is taken into custody and the vehicle is impounded for safekeeping; or*
- (11) a law enforcement official has probable cause to believe that the owner, operator, or person in physical control of the vehicle has failed to respond to five or more citations for parking or traffic offenses.*

*Subd. 4. [TOWING PROHIBITED.] Unless the vehicle is described in subdivision 3, a towing authority may not tow a motor vehicle because:*

- (1) the vehicle has expired registration tabs;*

(2) *the vehicle is at a parking meter on which the time has expired; or*  
(3) *the vehicle has been issued a ticket for any violation for which the fine is \$20 or less.*”

Delete the title and insert:

“A bill for an act relating to traffic regulations; prohibiting the towing of motor vehicles for traffic violations for a period of four hours except under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 169.”

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. 1293: A bill for an act relating to local government; permitting Carlton county and the city of Cloquet to jointly provide a government building.

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. 1396: A bill for an act relating to local government; regulating storm sewer improvements in Plymouth and Golden Valley; amending Laws 1979, chapter 303, article 10, section 15.

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. 1494: A bill for an act relating to the city of Minneapolis; giving the city certain powers pertaining to the delivery of energy and environmental services.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 22, insert:

“Sec. 4. [COMBINED HEARINGS.]

*The Minneapolis city council may conduct the hearing on the improvement required by Minnesota Statutes, section 429.031, and the hearing on the assessments required by Minnesota Statutes, section 429.061, at the same time pursuant to notices which include all of the information required by both sections. If the council proceeds in this manner, the proposed assessments shall be calculated on the basis of the engineer's estimate and other estimates of the council. If the actual cost of the improvement is less than the estimated cost adopted by the council or portion of it determined to be paid from special assessments, the council must provide for the cancellation and annulment or refunding of assessments in the manner provided in Minnesota Statutes, section 430.07, subdivision 5, or section*

435.203.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert “; providing for combined hearings on improvements and assessments”

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. 1238: A bill for an act relating to fees; providing for fees charged by county recorder; amending Minnesota Statutes 1988, section 357.18, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 5, insert:

“Section 1. Minnesota Statutes 1988, 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, 1990, or within one year of the assessor’s first appointment under this section, whichever is later.”

Page 1, lines 11 to 14, delete the new language and insert “. For instruments that contain more than one description, document number, or book and page that must be indexed separately, the fee shall be \$10 for each description or document number or book and page”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete “fees;” and insert “county officers; removing a residency requirement for county assessors;”

Page 1, line 3, delete “section” and insert “sections 273.061, subdivision 1; and”

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. 960: A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes

1988, section 65B.49, subdivisions 3a and 4a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete lines 20 to 22 and insert:

*“Sections 1 and 2 are effective for all contracts issued or renewed on or after August 1, 1989, or for all injuries occurring on or after August 1, 1989, or for deaths occurring as the result of injuries sustained on or after August 1, 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. 520: A bill for an act relating to food; authorizing donation of certain food; limiting liability of food donors; proposing coding for new law in Minnesota Statutes, chapter 31.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after “*food*” insert “*manufacturer, distributor, processor,*”

Page 2, delete section 2

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1407: A bill for an act relating to liquor; requiring notice and hearing before liquor license fees are increased; amending Minnesota Statutes 1988, section 340A.408, by adding a subdivision.

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. 756: A bill for an act relating to workers' compensation; eliminating supplemental benefits for new claims; amending Minnesota Statutes 1988, section 176.132, 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 1988, 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, and before October 1, 1989, 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.

*(c) An employee who has suffered personal injury after October 1, 1989, and is permanently totally disabled as defined by section 176.101, subdivisions 4 and 5, 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 permanent 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.*

Sec. 2. Minnesota Statutes 1988, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under ~~this section~~ subdivision 1, paragraphs (a) and (b), 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 subdivision 1, paragraph (c), shall be the difference between:*

*(1) the amount the employee receives on or after October 1, 1989, under section 176.101, subdivision 4; plus the amount of disability benefits being paid under any government disability benefit program, provided those benefits are occasioned by the same injury or injuries giving rise to payments under section 176.101, subdivision 4; plus the amount of any federal old age and survivor's insurance benefits; and*

*(2) 65 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 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 *under subdivision 1, paragraph (a) or (b)*, 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) 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. 3. Minnesota Statutes 1988, 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 *under subdivision 1, paragraph (a) or (b), or currently paying permanent total disability benefits under subdivision 1, paragraph (c)*, 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. 4. [EFFECTIVE DATE.]

*This act is effective October 1, 1989.*"

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating the payment of supplemental benefits for new claims; amending Minnesota Statutes 1988, section 176.132, subdivisions 1, 2, and 3."

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. 287: A bill for an act relating to employment; prohibiting employers from charging fees for employment applications; providing that work over 40 hours a week is overtime; amending Minnesota Statutes 1988, sections 177.25, subdivision 1; and 181.031.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "providing"

Page 1, line 4, delete everything before "amending"

Page 1, line 5, delete "sections 177.25, subdivision" and insert "section"

Page 1, line 6, delete "1; and"

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. 1122: A bill for an act relating to workers' compensation; limiting the payment of temporary partial benefits under certain circumstances; amending Minnesota Statutes 1988, section 176.101, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 18 to 24, delete the new language and insert "*Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is earning in the employee's partially disabled condition plus the temporary partial disability payment otherwise payable under this subdivision exceeds 250 percent of the statewide average weekly wage.*"

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. 1435: A bill for an act relating to employment; prohibiting termination of sales representative agreements under certain circumstances; 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 2, line 20, after "unless" insert "*the person has good cause and*"

Page 3, delete lines 4 and 5

Page 3, line 36, delete "*who has allegedly violated*" and insert "*for a violation of*"

Page 4, line 2, after the period, insert "*An arbitrator shall be selected from a panel under the rules and procedures of the American arbitration association.*"

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. 627: A bill for an act relating to juveniles; authorizing county welfare boards to collect fees for court-ordered treatment; amending Minnesota Statutes 1988, section 260.251, 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 1988, section 260.251, subdivision 1, is amended to read:

Subdivision 1. [CARE, EXAMINATION, OR TREATMENT.] (a) Except where parental rights are terminated,

(1) whenever legal custody of a child is transferred by the court to a county welfare board, or

(2) whenever legal custody is transferred to a person other than the county welfare board, but under the supervision of the county welfare board,

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.

(b) The court shall order, *and the county welfare board shall require*, the parents or custodian of a child, while the child is under the age of 18, to use the total income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, social security benefits, supplemental security income (SSI), veterans benefits, railroad retirement benefits and child support. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court shall order, *and the county welfare board shall require, reimbursement from the child to reimburse the county* for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance.

(c) If the income and resources attributable to the child are not enough to reimburse the county for the full cost of the care, examination, or treatment, the court shall inquire into the ability of the parents to support the child and, after giving the parents a reasonable opportunity to be heard, *the court shall order, and the county welfare board shall require*, the parents to ~~reimburse the county, in the manner and to whom the court may direct, such sums as will cover in whole or in part~~ contribute to the cost of care, examination, or treatment of the child. *When determining the amount to be contributed by the parents, the court shall use a fee schedule based upon ability to pay that is established by the county welfare board and approved by the commissioner of human services.*

(d) The court shall order the amount of reimbursement attributable to the parents or custodian, or attributable to the child, or attributable to both sources, withheld under chapter 518 from the income of the parents or the custodian of the child. A parent or custodian ~~or child over the age of 18~~ who fails to pay ~~this sum~~ without good reason may be proceeded against for contempt, or the court may inform the county attorney, who shall proceed ~~against any of them~~ to collect the unpaid sums, or both procedures may be used.

(e) *If the court orders a physical or mental examination or treatment*

*for a child, the examination or treatment is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, copayments or deductibles, provider restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services."*

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. 1221: A bill for an act relating to the city of Hopkins; authorizing the establishment of special service districts.

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 re-referred

S.F. No. 773: A bill for an act relating to the city of Roseville; authorizing the city to use certain taxes to establish and operate a sports and recreation facility.

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 re-referred

S.F. No. 135: A bill for an act relating to local government; creating the Kandiyohi county rural development finance authority; authorizing the establishment of a development and redevelopment program and the authorization of powers for it.

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 re-referred

S.F. No. 957: A bill for an act relating to economic development; transferring programs under the Minnesota agricultural and economic development board to the department of trade and economic development; changing the governing structure of the certified development company; transferring program responsibilities for the allocation of bonding authority to the department of finance; eliminating certain reporting requirements; amending Minnesota Statutes 1988, sections 41A.01; 41A.02, subdivisions 7a, 15, 16, and by adding subdivisions; 41A.021; 41A.022; 41A.023; 41A.03, subdivision 3; 41A.035; 41A.036, subdivisions 1, 4, 5, and 6; 41A.04; 41A.05, subdivisions 1, 2, 3, and 4; 41A.051; 41A.06, subdivisions 2, 4, and 5; 41A.07; 41A.08; 469.175, subdivision 2; and 474A.02, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1988, sections 41A.02, subdivision 3; 41A.065; and 469.012, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 19, line 11, delete "ten" and insert "25"

Page 19, line 16, delete everything after the period

Page 19, delete lines 17 to 22

Page 20, delete lines 16 to 20 and insert:

*"Subd. 5. [BOARD OF DIRECTORS.] The development company bylaws must provide for a board of directors consisting of the commissioner of trade and economic development as chairperson, a vice-chairperson, and other members who are geographically representative of the state."*

Page 22, delete section 31

Renumber the sections in sequence

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. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1027: A bill for an act relating to housing; making provisions for manufactured home park security deposits; amending Minnesota Statutes 1988, section 327C.02, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, delete everything after "agreement"

Page 1, line 17, delete "subdivision 8"

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. 1087: A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 566.

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 1988, section 504.23, is amended to read:

504.23 [CODE VIOLATIONS, DISCLOSURE.]

All code violation records pertaining to a particular parcel of real property and the buildings, improvements and dwelling units located thereon

kept by any state, county or city agency charged by the governing body of the appropriate political subdivision with the responsibility for enforcing a state, county or city health, housing, building, fire prevention or housing maintenance code shall be available to all persons having a reasonable need for the information contained in the records relating to the premises, at reasonable times and upon reasonable notice to the custodian of the records, for inspection, examination, abstracting or copying at the expense of the person obtaining the information. The persons to whom the records shall be available under this section include but are not limited to the following persons and their representatives:

(a) any person having any legal or beneficial interest in the premises, including a tenant;

(b) any person considering in good faith the lease or purchase of the premises; ~~and~~

(c) *any person authorized to request an inspection under section 566.19;*  
*and*

(d) a party to any action related to the premises, including actions maintained pursuant to sections 504.18 and 566.18 to 566.33.

Sec. 2. Minnesota Statutes 1988, section 566.18, subdivision 7, is amended to read:

Subd. 7. [BUILDING.] "Building" means:

(a) any building used in whole or in part as a dwelling, including single family homes, multiple family units such as apartments, and structures containing both dwelling units and units used for nondwelling purposes, and also includes a manufactured home park, *or*

(b) *any unoccupied building which was previously used in whole or in part as a dwelling and which constitutes a nuisance under section 561.01.*

Sec. 3. Minnesota Statutes 1988, section 566.18, is amended by adding a subdivision to read:

Subd. 9. [NEIGHBORHOOD ORGANIZATION.] "*Neighborhood organization*" means a nonprofit corporation incorporated under chapter 317 that satisfies clauses (1) and (2).

*The corporation shall:*

(1) *designate in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and*

(2) *be formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.*

*For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the tenants of a majority of the units.*

Sec. 4. Minnesota Statutes 1988, section 566.19, is amended to read:

566.19 [INSPECTION, NOTICE.]

Subdivision 1. Upon demand by a tenant, *neighborhood organization with the written permission of a tenant or, if a building is unoccupied, by*

*a neighborhood organization*, an inspection shall be made by the local authority charged with enforcing the code claimed to be violated.

Subd. 2. After an inspection of a building has been made upon demand by a tenant *or neighborhood organization with the written permission of a tenant*, the owner or the owner's agent and the complaining tenant *or neighborhood organization* shall be informed in writing by the inspector of any code violations discovered and a reasonable period of time shall be allowed in which to correct the violations.

Subd. 3. Where an inspection has been made, no action shall be brought pursuant to sections 566.18 to 566.33 except on expiration of the time thus granted without satisfactory repairs being accomplished to remove the code violations unless the tenant *or neighborhood organization with the written permission of a tenant* shall allege the time is excessive.

Subd. 4. No action may be commenced pursuant to sections 566.18 to 566.33 by a tenant of a building in which a violation as defined in section 566.18, subdivision 6, clauses (b) or (c), is alleged to exist *or by a neighborhood organization with the written permission of a tenant of a building in which a violation as defined in section 566.18, subdivision 6, clause (b), is alleged to exist* unless the owner is informed in writing of the alleged violation at least 14 days prior to the commencement of the action. *The notice requirement may be waived upon a finding by the court that the owner cannot be located despite diligent efforts.*

Sec. 5. Minnesota Statutes 1988, section 566.20, subdivision 1, is amended to read:

Subdivision 1. An action may be brought in ~~county district court, or municipal court in the counties of Hennepin, Ramsey or St. Louis,~~ by any tenant of a building in which a violation, as defined in section 566.18, subdivision 6, is alleged to exist, or by any *neighborhood organization with the written permission of a tenant of a building in which a violation, as defined in section 566.18, subdivision 6, clause (a) or (b), is alleged to exist, or by a neighborhood organization that has within its geographical area an unoccupied building in which a violation, as defined in section 566.18, subdivision 6, clause (a) or (b), is alleged to exist,* or state, county or local department, or authority, charged with the enforcement of codes relating to health, housing, or building maintenance.

Sec. 6. Minnesota Statutes 1988, section 566.25, is amended to read:

566.25 [JUDGMENT.]

Upon finding the complaint proved, the court may, in its discretion, do any or all of the following, either alone or in combination:

(a) Order the owner to remedy the violation or violations found by the court to exist if the court is satisfied that corrective action will be undertaken promptly; or

(b) Order the tenant to remedy the violation or violations found by the court to exist and deduct the cost from the rent subject to the terms as the court determines to be just; or

(c) Appoint an administrator with powers as set out in section 566.29, and

(1) direct that rents due:



(i) on and from the day of entry of judgment, in the case of petitioning tenants *or neighborhood organizations*, and

(ii) on and from the day of service of the judgment on all other tenants and commercial tenants of the building, if any, shall be deposited with the administrator appointed by the court, and

(2) direct that the administrator use the rents collected for the purpose of remedying the violations found to exist by the court paying the debt service, taxes and insurance, and providing the services necessary to the ordinary operation and maintenance of the building which the owner is obligated to provide but fails or refuses to provide; or

(d) Find the extent to which any uncorrected violations impair the tenants' use and enjoyment of the premises contracted for and order the rent abated accordingly. Should the court choose to enter judgment under this paragraph the parties shall be informed and the court shall find the amount by which the rent shall be abated; ~~and~~

(e) *After termination of administration, continue the jurisdiction of the court over the building for a period of one year and order the owner to maintain the building in compliance with all applicable state, county, and city health, safety, housing, building, fire prevention, and housing maintenance codes; and*

(~~e~~) (f) Grant any other relief the court deems just and proper, including a judgment against the owner for reasonable attorney fees, not to exceed \$500, in the case of a prevailing tenant or neighborhood organization. The \$500 limitation does not apply to awards made under section 549.21 or other specific statutory authority.

Sec. 7. Minnesota Statutes 1988, section 566.28, is amended to read:

566.28 [EVICITION PROCEEDINGS BY OWNER LIMITED.]

A tenant may not be evicted, nor may the tenant's obligations under a rental agreement be increased nor the services decreased, if the eviction or increase of obligations or decrease of services is intended as a penalty for the tenant's *or neighborhood organization's* complaint of a violation. The burden of proving otherwise shall be on the owner if said eviction or increase of obligations or decrease of services occurs within 90 days after the filing of the complaint, unless it is found that the complaint was not made in good faith. After 90 days the burden of proof shall be on the tenant.

Sec. 8. Minnesota Statutes 1988, section 566.29, subdivision 1, is amended to read:

Subdivision 1. The administrator may be any person, other than an owner of the building, the inspector, the complaining tenant or any person living in the complaining tenant's dwelling unit. If a state, court, or local agency is authorized by statute, ordinance or regulation to provide persons *or neighborhood organizations* to act as administrators under this section, the court may appoint such persons *or neighborhood organizations* as administrators to the extent they are available.

Sec. 9. Minnesota Statutes 1988, section 566.29, subdivision 3, is amended to read:

Subd. 3. The court may allow a reasonable amount for the services of administrators, and the expense of the administration from any rent moneys,

*or upon termination of administration, may enter judgment against the owner in a reasonable amount for the services and expenses incurred by the administrator.*

Sec. 10. Minnesota Statutes 1988, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator shall be empowered to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, ~~rent enter into leases for vacant dwelling units on a month to month basis~~, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the premise to secure funds to the extent necessary to cover the cost of materials, labor, and services, *including reasonable fees for the administrator's services*, necessary to remedy the violation or violations found by the court to exist, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist, and pay for them from funds derived from the municipal sources. *The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.*"

Amend the title as follows:

Page 1, line 6, after "sections" insert "504.23;"

Page 1, line 8, delete "subdivision" and insert "subdivisions" and delete "; proposing" and insert ", 3, and 4."

Page 1, delete line 9

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. 989: A bill for an act relating to the town of Otsego; authorizing the town to establish an economic development authority and to exercise

tax increment financing powers; granting the town the power of a city with respect to the authority.

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. 1138: A bill for an act relating to local government; permitting the Dakota and Washington county housing and redevelopment authorities to waive performance bonds for single family housing construction; amending Laws 1971, chapter 333; and Laws 1974, chapter 475.

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. 1401: A bill for an act relating to economic development; changing the requirements for loans to Indians; amending Minnesota Statutes 1988, section 116J.64, subdivision 7.

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. 1282: A bill for an act relating to human services; adopting the asset limitations used by the veterans homes for purposes of determining medical assistance eligibility for veterans; amending Minnesota Statutes 1988, section 256B.056, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, before "Notwithstanding" insert "(a)"

Page 1, after line 18, insert:

*"(b) Paragraph (a) is effective only to the extent allowed by federal medical assistance laws and regulations and only if the federal health care financing agency approves the necessary amendments to the state medical assistance plan. The commissioner shall seek waivers of federal requirements to the extent necessary to implement paragraph (a)."*

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. 153: A bill for an act relating to retirement; providing lump sum payments to certain retired or disabled public employees or their surviving spouses; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

LUMP SUM POSTRETIREMENT ADJUSTMENTS  
FOR CERTAIN RETIRED MEMBERS

Section 1. [POSTRETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS.]

*Subdivision 1. [COVERED RETIREMENT FUNDS.] The following retirement funds shall pay the postretirement adjustment provided for in this section:*

- (1) *public employees retirement fund;*
- (2) *public employees police and fire fund;*
- (3) *teachers retirement fund;*
- (4) *state patrol retirement fund;*
- (5) *state employees retirement fund of the Minnesota state retirement system; and*
- (6) *Minneapolis employees retirement fund.*

*Subd. 2. [ENTITLEMENT.] A person receiving a retirement annuity, disability benefit, or surviving spouse's annuity or benefit from a retirement fund named in subdivision 1 is entitled to receive the postretirement adjustment provided for in this section if the annuity or benefit the person is receiving is:*

- (1) *an annuity or benefit from the fund named in subdivision 1, clause (4), computed under the laws in effect before June 1, 1973;*
- (2) *an annuity or benefit from the funds named in subdivision 1, clause (1), (2), (3), or (5), computed under the laws in effect before July 1, 1973;*
- (3) *an annuity from the fund named in subdivision 1, clause (6), computed under the laws in effect before March 5, 1974;*
- (4) *a “\$2 bill and annuity” annuity from the fund named in subdivision 1, clause (6); or*
- (5) *an annuity or benefit from the fund named in subdivision 1, clause (5), computed under the metropolitan transit commission-transit operating division employees retirement fund document in effect before January 1, 1978.*

*Subd. 3. [AMOUNT OF ADJUSTMENT.] Each retirement fund named in subdivision 1 shall pay the postretirement adjustments provided for in this section to each person eligible for an annuity or benefit on November 30, 1989, or November 30, 1990, and entitled to an adjustment under subdivision 2. An adjustment for an individual recipient must be a lump sum payment in an amount equal to \$25 in 1989 and \$25 in 1990 for each full year of allowable service credited to the recipient by the fund. Adjustments are payable on December 1, 1989, to recipients eligible for an annuity or benefit on November 30, 1989, and on December 1, 1990, to recipients eligible for an annuity or benefit on November 30, 1990. Nothing in this section authorizes a fund to pay an adjustment to an estate. Notwithstanding Minnesota Statutes, section 356.18, a fund shall pay the adjustments provided for in this section without being requested to do so*

unless an intended recipient files a written notice with the fund requesting that the adjustment not be paid.

*Subd. 4. [TERMINAL AUDIT.] Each retirement fund named in subdivision 1, as soon as practical after payment of the December 1, 1990, postretirement adjustment, shall calculate the amount of any appropriation apportioned to it in excess of the amount required to pay the adjustments, report its calculation in writing to the commissioner of finance, and return any excess amount to the general fund. The commissioner of finance shall verify the calculation reported by each fund.*

*Subd. 5. [APPROPRIATION.] \$11,698,843 is appropriated from the general fund to the retirement funds named in subdivision 1, to pay the postretirement adjustments provided for in subdivision 3. The appropriation is apportioned as follows:*

	<i>Fiscal Year</i>	<i>Fiscal Year</i>
	<i>1990</i>	<i>1991</i>
<i>Public employees retirement fund</i>	<i>\$1,912,374</i>	<i>\$1,777,351</i>
<i>Public employees police and fire fund</i>	<i>89,305</i>	<i>86,073</i>
<i>Teachers retirement fund</i>	<i>1,682,050</i>	<i>1,597,950</i>
<i>State patrol retirement fund</i>	<i>77,750</i>	<i>77,500</i>
<i>State employees retirement fund</i>	<i>1,315,000</i>	<i>1,250,000</i>
<i>Minneapolis employees retirement fund</i>	<i>916,745</i>	<i>916,745</i>

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective July 1, 1989.*

## ARTICLE 2

### STATE UNIVERSITY AND COMMUNITY COLLEGE SUPPLEMENTAL RETIREMENT PLAN AMENDMENTS

Section 1. Minnesota Statutes 1988, section 136.80, subdivision 1, is amended to read:

Subdivision 1. [SUPPLEMENTAL PLAN MEMBERSHIP] *A The 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 governed pursuant to sections 136.81 to 136.85. ~~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~~ 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 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. 2. Minnesota Statutes 1988, section 136.81, subdivision 1, is amended to read:

Subdivision 1. [DEDUCTIONS.] ~~There shall be deducted~~ *The state university board and the state board for community colleges shall deduct from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the portion of the person's annual salary paid between above \$6,000 and \$15,000. The deduction is to must be made in the same manner as other retirement deductions are made from the salary of the person only after the first \$6,000 has been paid in a fiscal year. The state employer shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person, but not to exceed \$450 a year unless an amount greater than \$450, but not to exceed \$2,000 a year, is specified in an agreement between a board and the exclusive representative of the persons employed by the board and described in section 136.80, subdivision 1. The moneys so money deducted and the state contribution shall must be deposited to the credit of the state university and community college supplemental retirement plan account of the teachers retirement fund. The account is hereby established and shall must be separate and distinct from other funds, accounts, or assets of the teachers retirement fund. The money required to meet the obligation of the state employer as provided in this subdivision shall must be contributed to the executive director of the teachers retirement association by the state employer.*

~~Any Deductions which are~~ taken from the salary of a person for the supplemental retirement plan in error shall must, upon discovery and verification, be refunded to the person. The retirement board shall establish a reserve which shall reflect reflecting any gains or losses realized due to the purchase and redemption of shares representing salary deductions and state employer contributions which were made in error. The balance of the reserve shall must be credited annually to the cancellation reserve established pursuant to under section 136.82, subdivision 1, clause (5).

If any payroll deductions which are required pursuant to under this section are omitted, the deductions shall must be remitted to the supplemental retirement plan investment account of the teachers retirement association within one year from the end of the fiscal year in which the deductions were due, and, at the time of the receipt of the omitted deductions, the required state contribution shall then must be made.

Sec. 3. Minnesota Statutes 1988, section 356.24, is amended to read:

356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]

(a) 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 that is established, maintained, and

operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits, to the individual retirement account plan established by sections 354B.01 to 354B.04;

(3) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee; or

(4) for employees other than personnel employed by the state university board or the state board for community colleges and covered by section 136.80, subdivision 1, to the state of Minnesota deferred compensation plan under section 352.96, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee; or

(5) for personnel employed by the state university board or the state board for community colleges and covered by section 136.80, subdivision 1, to the supplemental retirement plan under sections 136.80 to 136.85, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year for each employee.

(b) No change in benefits or employer contributions in a supplemental pension plan to which this section applies after May 6, 1971, is effective without prior legislative authorization.

Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective July 1, 1989.*

### ARTICLE 3

#### STATE UNIVERSITY AND COMMUNITY COLLEGE INDIVIDUAL RETIREMENT ACCOUNT PLAN

Section 1. Minnesota Statutes 1988, section 354.05, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTIONS.] Notwithstanding subdivision 2, a person who is first employed as a teacher in the state university system or the state community college system after June 30, ~~1988~~ 1989, is not a member of the fund *except for purposes of social security coverage unless the person is covered by section 354B.02, subdivision 2, and has exercised an option under that subdivision to remain a member of the fund for all purposes.*

Sec. 2. Minnesota Statutes 1988, section 354.05, subdivision 5, is amended to read:

Subd. 5. [MEMBER OF FUND.] The term "member of fund" means every teacher who joins and contributes to the teachers retirement fund as provided in this chapter who has not retired-, *except a teacher covered by section 354B.02, subdivision 2, who elects to participate in the individual*

*retirement account plan under chapter 354B.*

Sec. 3. Minnesota Statutes 1988, section 354.66, subdivision 2, is amended to read:

Subd. 2. A teacher in the public elementary schools, secondary schools, or technical institutes, *or in the community college system or the state university system of the state who has 20 years or more of allowable service in the fund or 20 years or more of full time teaching service in Minnesota public elementary schools, secondary schools, or technical institutes, or in the community college system or the state university system, or a teacher in the community college system or state university system who has attained at least age 55 and has ten years or more of full-time teaching service,* may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part-time teaching position.

Sec. 4. [354.70] [DIVISION OF TEACHERS RETIREMENT ASSOCIATION.]

(a) *Within 90 days after the report of the actuary retained by the legislative commission on pensions and retirement for July 1, 1989, the executive director shall divide the assets of the association, excluding assets transferred to the Minnesota postretirement investment fund under section 11A.18 and assets in the Minnesota variable annuity investment fund, into two separate accounts. One account must contain the assets held on behalf of active members employed as teachers by the state university system and the community college system, and the other account must contain the assets held on behalf of all other active members and deferred members. The commission-retained actuary shall determine the overall entry-age normal cost actuarial accrued liability funding ratio of the association as of July 1, 1989, for the combined actuarial accrued liability and assets of the two accounts. The executive director shall allocate assets between each account so that the entry-age normal cost actuarial accrued liability funding ratio of each account is the same and reflects the overall funding ratio determined by the commission retained actuary.*

(b) *A transfer to the plan under section 7 may be made only from the account representing the assets held on behalf of members employed as teachers by the state university system and the community college system.*

Sec. 5. [354B.015] [SOCIAL SECURITY COVERAGE.]

*Plan participants under section 354B.02, subdivision 1, and persons electing participation under section 354B.02, subdivision 2, remain members of the teachers retirement association for purposes of social security coverage only and remain covered by the applicable agreement entered into under section 355.02, but are not members of the association for any other purpose while employed in covered employment.*

Sec. 6. Minnesota Statutes 1988, section 354B.02, is amended to read:  
354B.02 [COVERED PERSONS.]

Subdivision 1. [PLAN PARTICIPANTS.] Except as provided in subdivision 2, a person who was first employed in covered employment after June 30, ~~1988~~ 1989, shall participate in the plan.

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 354B.01, subdivision 2 or 3, ~~who is~~



entitled to a deferred annuity under section 354.55, subdivision 11, and who is first employed in covered employment after June 30, 1988 1989, may, at the person's option, remain a member of the teacher's retirement association for all purposes or participate in the plan.

*Subd. 3. [OPTIONAL PARTICIPATION.] A person who was first employed in covered employment before July 1, 1989, and who is a coordinated member of the teachers retirement association, may elect to remain a member of the teachers retirement association for all purposes or to transfer retirement coverage to the plan under section 7. An election to transfer retirement coverage to the plan must be made before July 1, 1992, and is irrevocable. When a member transfers coverage to the plan, all existing service credits with the association to which the person was entitled before the transfer terminate and may not be restored.*

*Subd. 4. [PART-TIME FACULTY.] The state university board and the community college board, independently with regard to their employees, may establish eligibility requirements for the plan that exclude from participation persons employed in covered employment less than 35 percent of full-time employment. Persons excluded from the plan may be members of the teachers retirement association for all purposes, including social security coverage.*

**Sec. 7. [354B.03] [COVERAGE TRANSFER.]**

*Subdivision 1. [PROCEDURE.] If a person elects a transfer to the plan under section 6, subdivision 3, 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 to determine 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 the executive director receives notification of the election. The employer contribution transfer may not include an amount representing an employer additional contribution or an amount representing the repayment of a refund received by the association after the date of enactment of this act.*

*Subd. 2. [LIMITATIONS.] A transfer to the plan under this section is a transfer to the financial institution selected by a plan administrator to provide annuity contracts or custodial accounts and must be made through the governing board of the system in which the person electing the transfer is employed in covered employment. No amount may be distributed to the person electing the transfer.*

Sec. 8. Minnesota Statutes 1988, section 354B.04, subdivision 2, is amended to read:

**Subd. 2. [EMPLOYER CONTRIBUTIONS.]** The employer of persons in covered employment who participate in the plan shall make an employer contribution to the plan 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. The association shall credit the additional employer contribution to the separate account, established under section 4, representing the assets held on behalf of active members employed as teachers by the state university system and the community college system.

Sec. 9. Minnesota Statutes 1988, section 354B.05, subdivision 3, is amended to read:

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. *Each board may at its discretion change a selection of an institution.* 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.

Sec. 10. Minnesota Statutes 1988, section 354B.05, subdivision 4, is amended to read:

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 trust~~ and must be paid in accordance with the provisions of the ~~annuity contracts or custodial accounts plan document~~.

Sec. 11. [355.61] [SOCIAL SECURITY COVERAGE FOR CERTAIN STATE UNIVERSITY OR COMMUNITY COLLEGE FACULTY.]

*Plan participants under section 354B.02, subdivision 1, and persons electing participation under section 354B.02, subdivision 2, remain members of the teachers retirement association for purposes of social security coverage only, and remain covered by the applicable agreement entered into under section 355.02, but are not members of the teachers retirement association for any other purpose while employed in covered employment.*

Sec. 12. [EFFECTIVE DATE OF COVERAGE.]

*Notwithstanding Laws 1988, chapter 709, article 11, sections 1, 3, and 7, persons first employed in covered employment between June 30, 1988, and July 1, 1989, are members of the teachers retirement association for all purposes but are eligible to elect to participate in the plan under section 7.*

Sec. 13. [REPEALER.]

*Section 7 is repealed October 1, 1992.*

Sec. 14. [EFFECTIVE DATE.]

*Sections 1 to 11 are effective July 1, 1989."*

Delete the title and insert:

"A bill for an act relating to retirement; various public pension plans; providing for certain postretirement adjustments; modifying the state university and community college supplemental retirement plan; modifying the individual retirement account plan; appropriating money; amending Minnesota Statutes 1988, sections 136.80, subdivision 1; 136.81, subdivision 1; 354.05, subdivisions 2a and 5; 354.66, subdivision 2; 354B.02;

354B.04, subdivision 2; 354B.05, subdivisions 3 and 4; and 356.24; proposing coding for new law in Minnesota Statutes, chapters 354; 354B; and 355.”

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. 1115: A bill for an act relating to economic development: establishing a cold weather resource center at International Falls; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 116Q.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [116Q.01] [DEFINITIONS.]

*Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 1 to 5.*

*Subd. 2. [BOARD.] “Board” means the board of directors of the cold weather resource center.*

*Subd. 3. [CORPORATION.] “Corporation” means the cold weather resource center.*

Sec. 2. [116Q.02] [COLD WEATHER RESOURCE CENTER.]

*Subdivision 1. [ESTABLISHMENT.] The cold weather resource center is a public corporation established to encourage economic development by promoting, attracting, and coordinating cold weather research, testing, and related activities throughout the state. The corporation shall provide coordination and services to institutions and companies that conduct cold weather testing and research, and shall not directly conduct its own research or testing. The corporation shall only provide services that the private sector does not provide. The corporation is not subject to the laws governing a state agency except as provided in this chapter.*

*Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 16 directors. Board members may receive compensation and be reimbursed for expenses in the amounts authorized under section 15.0575. Vacancies are filled by the board. The term of a director is three years. A director may not serve more than two terms in succession and must remain off the board for at least two years before being appointed again. Appointments are staggered so that four directors are appointed each year. Appointments must be made to provide a fair geographic balance from communities with two or more private sector firms currently conducting cold weather testing or research, wherever practical. The following categories must be represented on the board:*

- (1) industries engaged in cold weather testing or research;*
- (2) development organizations involved in applied research and business development;*
- (3) state and local government;*
- (4) the department of transportation; and*

(5) one representative from each of the following post-secondary educational institutions or groups:

- (i) technical institutes;
- (ii) community colleges;
- (iii) the University of Minnesota; and
- (iv) the state university system.

*Subd. 3. [OPEN MEETINGS.] Meetings of the board are governed by the Minnesota open meeting law, section 471.705, except as provided in this subdivision. The board of directors may by a majority vote in a public meeting decide to hold a closed meeting to discuss application and investigative data described in subdivision 8. The time and place of the closed meeting must be announced at the public meeting. A written roll of members present at the closed meeting must be made available to the public after the closed meeting. The proceedings of a closed meeting must be tape-recorded at the expense of the board and must be preserved by the board for two years. The data on the tape is nonpublic data under section 13.02, subdivision 9.*

*Subd. 4. [EXECUTIVE DIRECTOR.] The board shall employ an executive director. The executive director shall manage the corporation. The executive director shall report to the board and may hire employees to accomplish the objectives of the board.*

*Subd. 5. [OFFICES.] The offices of the corporation must be located in or near the city of International Falls. The corporation may establish field offices if appropriate. Rainy River community college shall assist the corporation with obtaining office space and administrative services, to be paid for by the corporation. The city of International Falls may assist the corporation by providing it with money, or with in-kind contributions of land, buildings, support services, or other things of value, as negotiated between the city and the corporation.*

*Subd. 6. [ETHICAL PRACTICES.] Directors and the executive director are public officials for purposes of chapter 10A, relating to ethics in government.*

*Subd. 7. [ACCESS TO DATA.] The corporation is governed by the Minnesota government data practices act, chapter 13.*

*Subd. 8. [APPLICATION AND INVESTIGATIVE DATA.] The following data is classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever applies:*

*(1) financial data, statistics, and information given in connection with assistance or proposed assistance from the corporation, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records; or*

*(2) security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1, disclosed to members of the board or employees of the corporation.*

Sec. 3. [116Q.03] [POWERS.]

*Subdivision 1. [GENERALLY; LIMITATIONS.] The corporation has*

*the powers specified in this section.*

*Subd. 2. [LEGAL CAPACITY.] The corporation may sue and be sued in its own name.*

*Subd. 3. [PROPERTY OWNERSHIP.] The corporation may purchase, lease, or otherwise acquire, own, hold, improve, and use real or personal property, or any interest in it, wherever situated.*

*Subd. 4. [PROPERTY DISPOSITION.] The corporation may sell, convey, mortgage, create a security interest in, lease, exchange, transfer, or otherwise dispose of all or any part of its real or personal property, or any interest in it, wherever situated.*

*Subd. 5. [CONTRACTS; MORTGAGES.] The corporation may make contracts and incur liabilities, borrow money, and secure any of its obligations by mortgage of or creation of a security interest in all or any of its property, franchises, and income.*

*Subd. 6. [INVESTMENT.] The corporation may invest and reinvest its funds.*

*Subd. 7. [HOLDING PROPERTY AS SECURITY.] The corporation may take and hold real and personal property, whether or not of a kind sold or otherwise dealt in by the corporation, as security for the payment of money loaned, advanced, or invested.*

*Subd. 8. [EMPLOYEE PENSION PLAN.] The corporation may provide and pay for a pension plan for its employees.*

*Subd. 9. [PARTICIPATING IN MANAGEMENT.] The corporation may participate in any capacity in the promotion, organization, ownership, management, and operation of any organization or in any transaction, undertaking, or arrangement that the participating corporation would have power to conduct by itself, whether or not the participation involves sharing or delegation of control with or to others.*

*Subd. 10. [INSURANCE.] The corporation may provide life insurance and other insurance for its officers, directors, and employees.*

*Subd. 11. [BYLAWS.] The corporation may adopt bylaws relating to the management of the business or the regulation of the affairs of the corporation.*

**Sec. 4. [116Q.04] [STATE NOT LIABLE.]**

*The state is not liable for the debts of the corporation.*

**Sec. 5. [116Q.05] [RESERVATION OF RIGHT.]**

*The state reserves the right to amend or repeal this chapter. The corporation is subject to this reserved right.*

**Sec. 6. [116Q.06] [AUDIT.]**

*The books and records of the corporation are subject to audit without previous notice by the legislative auditor.*

**Sec. 7. [116Q.07] [REPORT.]**

*The corporation must submit a biennial performance report to the governor and legislature.*

**Sec. 8. [INITIAL APPOINTMENTS.]**

*Notwithstanding section 2, subdivision 2, the governor shall appoint the members of the first board of directors of the cold weather research center as follows: four to one-year terms; four to two-year terms; four to three-year terms; and four to four-year terms.*

Sec. 9. [APPROPRIATION.]

*\$1,500,000 is appropriated from the general fund to the commissioner of trade and economic development for a grant to the cold weather resource center. \$650,000 is for the fiscal year ending June 30, 1990, and \$850,000 is for the fiscal year ending June 30, 1991. Any unencumbered balance remaining in the first year does not cancel and is available for the second year."*

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was re-referred

S.F. No. 922: A bill for an act relating to education; permitting one levy referendum each year by a school board; amending Minnesota Statutes 1988, section 124A.03, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, after the period, insert "*One election may be held in a calendar year to approve an increase that is initiated by a school board and one election may be held in a calendar year to approve an increase invoked by petition.*"

Page 1, line 14, delete "*In any*"

Page 1, line 15, delete "*calendar year,*" and strike "*only*" and delete "*one election*" and strike "*may be held to*"

Page 1, line 16, strike "*approve a levy increase*"

Page 1, line 17, strike the period

Page 2, strike lines 18 to 24

Page 2, line 25, strike "(4)" and insert "(3)" and before "(2)" insert "*(1) or*"

Page 2, line 26, strike "*five*" and insert "*15*"

Page 2, line 27, strike "*residents*" and insert "*registered voters*" and strike "*as determined by*"

Page 2, line 28, strike everything before the period

Page 2, line 28, strike "*revocation or reduction*"

Page 2, line 31, strike "(5)" and insert "(4)"

Page 2, line 34, strike "(6)" and insert "(5)"

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "*limiting the number of and altering petition procedures for school district levy referendums*"

Page 1, line 3, delete "*each year by a school board*"

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. 1010: A bill for an act relating to education; appropriating money for a study of educational facilities.

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. 782: 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 1988, sections 121.843; 121.844; and 121.845.

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. 253: A bill for an act relating to education; authorizing the use of community education funds to acquire equipment to be used exclusively in community education programs; amending Minnesota Statutes 1988, section 124.271, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 13 and 14, strike "funds" and insert "money"

Page 1, line 17, strike "These funds" and insert "The money"

Page 1, delete lines 20 to 25 and insert:

*"(b) In addition to money from other sources, a district may use up to ten percent of its community education revenue for equipment that is used exclusively in community education programs. This revenue may be used only for the following purposes:*

*(1) to purchase or lease computers and related materials;*

*(2) to purchase or lease equipment for instructional programs; and*

*(3) to purchase textbooks and library books."*

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. 425: A bill for an act relating to education; vocational technical; allowing purchase of real property by independent school district No. 347.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "project" and insert "building"

Page 1, line 11, delete "local money" and insert "the technical institute debt reduction fund"

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. 1095: A bill for an act relating to education; requiring school boards, public post-secondary boards and institutions, the commissioner of human rights, and the high school league to perform certain duties relating to sexual harassment and sexual violence; appropriating money; amending Minnesota Statutes 1988, sections 121.882, subdivision 2; 124A.27, by adding a subdivision; and 129.121, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 127; 135A; and 363.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 3, delete sections 1 to 4

Page 3, line 21, after the period, insert "*Each public post-secondary institution shall provide each student with information regarding its policy during student registration.*"

Pages 3 and 4, delete sections 7 to 9

Page 4, delete line 28 and insert:

*"Sections 1 and 2"*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "school boards,"

Page 1, line 3, delete ", the"

Page 1, line 4, delete everything before the comma

Page 1, line 6, delete "appropriating money;"

Page 1, line 7, delete "sections 121.882," and insert "section"

Page 1, delete line 8

Page 1, line 10, delete "chapters 121; 127;" and insert "chapter"

Page 1, line 11, delete "; and 363"

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. 1448: A bill for an act relating to tourism; authorizing the commissioner of trade and economic development to make or participate in tourism-related loans; appropriating money; proposing coding for new law in chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 18 and 19, delete "*set out*" and insert "*provided*"



Page 2, line 4, delete "*more than 30 days*"

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. 1509: A bill for an act relating to education; simplifying the high school league's audit requirements; amending Minnesota Statutes 1988, section 129.121, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, before the period, insert "*or a certified public accountant, at the option of the league*"

Page 1, line 13, reinstate the stricken language and after the reinstated "auditor" insert "*or certified public accountant selected by the league*"

Page 1, lines 14 to 25, reinstate the stricken language

Page 2, lines 1 to 4, reinstate the stricken language

Page 2, line 5, reinstate the stricken "The league must pay the" and reinstate the stricken "costs of the audit."

Page 2, delete lines 6 and 7

Amend the title as follows:

Page 1, line 2, delete "simplifying" and insert "expanding the audit options for"

Page 1, line 3, delete "league's audit requirements" and insert "league"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was re-referred

S.F. No. 1374: A bill for an act relating to education; providing that discrimination against a pupil by a teacher may be grounds for discharge or demotion; amending Minnesota Statutes 1988, sections 125.12, subdivision 8; and 125.17, subdivision 4.

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. 740 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.
740	1157				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 740 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 740 and insert the language after the enacting clause of S.F. No. 1157, the first engrossment; further, delete the title of H.F. No. 740 and insert the title of S.F. No. 1157, the first engrossment.

And when so amended H.F. No. 740 will be identical to S.F. No. 1157, and further recommends that H.F. No. 740 be given its second reading and substituted for S.F. No. 1157, 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. 593 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.
593	521				

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. 895 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.
895	710				

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. 989 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.
989	1071				

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. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1439: A bill for an act relating to natural resources; reallocating costs assessed against the game and fish fund; appropriating money; amending Minnesota Statutes 1988, sections 97A.055, by adding a subdivision; 97A.061, subdivision 1; and 97A.165; proposing coding for new law in Minnesota Statutes, chapter 84.

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. 1102: A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 3, delete section 1 and insert:

“Section 1. Minnesota Statutes 1988, section 123.36, is amended by adding a subdivision to read:

*Subd. 15. [ENERGY CONSERVATION CONTRACTS.] A school board may enter into an installment payment contract according to this subdivision to reduce energy and operating costs in a school building, without an election under section 475.58 and without complying with the competitive bidding requirements of section 123.37 or 471.345. A contract shall include a provider's written guarantee that energy savings will equal or exceed the cost of the improvements. A contract is subject to sections 121.15, subdivisions 6 to 10, regardless of the expenditure amount, and 124.243. A contract may provide for payments during a ten-year term.”*

Delete the title and insert:

“A bill for an act relating to education; allowing school districts to enter into certain contracts to reduce energy and operating costs; amending Minnesota Statutes 1988, section 123.36, by adding a subdivision.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

S.F. No. 1174: A bill for an act relating to public lands; conditions for acceptance of transfers from the federal government; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after "must" insert "*consult with the board of water and soil resources for a determination of marginal land, tillable farm land, and farm homestead. The commissioner must*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1561: A bill for an act relating to agriculture; appropriating money for agriculture information centers.

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 and Rural Development, to which was referred

S.F. No. 1524: A bill for an act relating to agriculture; establishing a board of directors of the agricultural utilization research institute; allocating certain amounts of the greater Minnesota fund for agriculture-related uses; amending Minnesota Statutes 1988, sections 116O.09, subdivisions 1, 2, and by adding a subdivision; and 116O.12.

Reports the same back with the recommendation that 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. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1496: A bill for an act relating to agriculture; providing coordination of aquiculture programs; requiring reporting to the commissioner of agriculture on aquiculture projects with state funding; defining aquiculture; declaring aquiculture an agricultural pursuit; amending Minnesota Statutes 1988, section 17.49; 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. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1032: 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.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 14, delete "*which*" and insert "*that*"

Page 2, line 8, delete "*the law of this state,*"

Page 2, line 9, delete "*excluding*" and insert "*to be determined by application of ordinary*"

Page 2, line 19, delete "*sovereignty*" and insert "*sovereign*"

Page 2, after line 24, insert:

"Sec. 2. [EFFECTIVE DATE.]

*This act is effective January 1, 1991.*"

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. 1371: A bill for an act relating to human services; providing salary adjustments for semi-independent living services, day training and habilitation services, waived services, and intermediate care facilities for persons with mental retardation or related conditions; appropriating money; amending Minnesota Statutes 1988, sections 252.275, by adding a subdivision; 252.46, by adding a subdivision; and 256B.501, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 19 and 20, delete "*whose annual salary is less than \$20,000*"

Page 1, lines 27 and 28, delete "*that have an annual salary of less than \$20,000*"

Page 2, line 17, after "*for*" insert "*direct care and support*" and delete "*whose annual salary is less*" and insert a period

Page 2, delete lines 18 to 20

Page 3, lines 10 and 11, delete "*whose annual salary is less than \$20,000*"

Page 3, line 18, delete everything after "*care*" and insert "*and support staff positions, but not top level administrative staff positions*"

Page 3, line 19, delete "*\$20,000*"

Page 4, delete line 7

Page 4, line 8, delete "*\$20,000*"

Page 4, line 9, delete "*or*"

Page 4, after line 20, insert:

"Sec. 5. Minnesota Statutes 1988, section 256B.501, is amended by adding a subdivision to read:

*Subd. 12. [ICF/MR SERVICE SITE RELOCATION.] (a) The commissioner may adjust a facility's property-related payment rate when the facility's service site must be relocated due to the termination of its operating lease by the lessor. For a facility to be eligible, the following conditions*

*must be met:*

*(1) the facility must provide verification that the facility received written notice from the lessor prior to April 1, 1989, indicating that the operating lease will be terminated or subject to termination before July 31, 1989;*

*(2) the commissioner must have received a completed determination of need from the provider pursuant to section 252.28 and Minnesota Rules, parts 9525.0015 to 9525.1065, by May 1, 1989;*

*(3) the determination of need in clause (2) must request a change of location due to termination of an operating lease and be accompanied by a written request for an increase in property reimbursement to cover an expected increase in operating lease costs for new service sites; and*

*(4) the provider must be relocating multiple facilities under these conditions.*

*(b) The commissioner shall determine eligible providers and shall adjust the provider's property-related payment rate as follows:*

*(1) the provider must submit copies of a signed lease agreement to the commissioner by October 1, 1989, for each relocated facility whose previous operating lease was terminated;*

*(2) the commissioner must apply the provisions of Minnesota Rules, parts 9553.0010 to 9553.0080, the investment-per-bed limitation is the limit that was established for calendar year 1989, and the commissioner shall include the new operating lease costs in establishing the facility's property-related payment rates. The new operating lease costs may not exceed \$1,500 per month for each facility meeting the criteria in this subdivision; and*

*(3) the facility's property-related payment rate change is effective October 1, 1989, but only if, prior to October 1, 1989, the facility is operating under a new lease agreement and residents occupy the new facility. For the rate year beginning October 1, 1990, the commissioner shall annualize the new lease agreement for costs incurred during the reporting year ending December 31, 1989."*

Page 4, after line 30, insert:

**"Sec. 7. [REHABILITATION FACILITIES; PLAN FOR QUALITY SERVICES.]**

*The commissioner of jobs and training shall propose a plan by January 1, 1990, that assures continued quality of care and services offered by private, nonprofit rehabilitation facilities. The proposed plan must include long-term solutions regarding staff qualifications, salaries, and benefits necessary to attract and retain quality employees and staff training, including a funding mechanism for increasing salaries of direct care staff.*

**Sec. 8. [SALARY PARITY PLAN.]**

*By February 1, 1990, the commissioner shall develop a plan for bringing salary and benefits of employees in nonstate-operated facilities into parity with those paid to employees performing similar work in state-operated facilities. The plan must be provided to the chairs of the health and human services divisions of the senate finance committee and the house of representatives appropriations committee. The plan must specify the amount of appropriations required to implement the plan and may provide for a phase-in period of up to five years. The commissioner shall develop the*

*plan in collaboration with an advisory committee consisting of representatives of public and private facilities and service providers, clients and family members, advocacy organizations, employees, and other interested persons and organizations."*

Page 4, line 34, delete "5" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "authorizing a special property rate for certain intermediate care facilities; requiring a plan concerning rehabilitation facilities; requiring a salary parity plan;"

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. 1196: A bill for an act relating to nursing home admission agreements; prohibiting use of blanket waivers of liability by continuing care facilities and nursing homes; requiring nursing home admission agreements to be available to the public and clarifying that such agreements are consumer contracts; prohibiting nursing homes from requiring third party guarantors; requiring nursing homes to identify their status as medical assistance providers; prohibiting use of blanket consents for treatment; requiring written acknowledgment that residents have received a copy of the patients' bill of rights; providing penalties; amending Minnesota Statutes 1988, section 80D.04, by adding a subdivision; 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. Minnesota Statutes 1988, section 80D.04, is amended by adding a subdivision to read:

*Subd. 6. [WAIVERS OF LIABILITY PROHIBITED.] (a) A contract between a facility and resident or resident's representative must not include a waiver of facility liability for the health and safety or personal property of a resident while the resident is under the facility's supervision. A contract must not contain a provision that the facility knows or should know to be deceptive, unlawful, or unenforceable under state or federal law, nor any provision that requires or implies a lesser standard of care or responsibility than is required by law.*

*(b) This subdivision applies to new admissions to facilities on and after October 1, 1989. This subdivision does not require the execution of a new admission contract for a resident who was residing in a facility before the enactment of this subdivision. However, provisions of the admission contract that are inconsistent with or in conflict with this subdivision are voidable at the sole option of the resident. Residents must be given notice of the changes in admission contracts according to this subdivision and must be given the opportunity to execute a new contract that conforms to this subdivision.*

Sec. 2. [144.6501] [NURSING HOME ADMISSION CONTRACTS.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them.*

(a) "Facility" means a nursing home licensed under chapter 144A or a boarding care facility licensed under sections 144.50 to 144.58.

(b) "Contract of admission," "admission contract," or "admission agreement," includes, but is not limited to, all documents that a resident or resident's representative must sign at the time of, or as a condition of, admission to the facility. Oral representations and statements between the facility and the resident or resident's representative are not part of the contract of admission unless expressly contained in writing in those documents.

(c) "Legal representative" means an attorney-in-fact under a valid power of attorney executed by the prospective resident, or a conservator or guardian of the person or of the estate, or a representative payee appointed for the prospective resident, or other agent of limited powers.

*Subd. 2. [WAIVERS OF LIABILITY PROHIBITED.] An admission contract must not include a waiver of facility liability for the health and safety or personal property of a resident while the resident is under the facility's supervision. An admission contract must not include a provision that the facility knows or should know to be deceptive, unlawful, or unenforceable under state or federal law, nor any provision that requires or implies a lesser standard of care or responsibility than is required by law.*

*Subd. 3. [CONTRACTS OF ADMISSION.] (a) A facility shall make complete unsigned copies of its admission contract available to potential applicants and to the state or local long-term care ombudsman immediately upon request.*

(b) A facility shall post conspicuously within the facility, in a location accessible to public view, either a complete copy of its admission contract or notice of its availability from the facility.

(c) An admission contract must be printed in black type of at least ten-point type size. The facility shall give a complete copy of the admission contract to the resident or the resident's legal representative promptly after it has been signed by the resident or legal representative.

(d) An admission contract is a consumer contract under sections 325G.29 to 325G.37.

(e) All admission contracts must state in bold capital letters the following notice to applicants for admission: "NOTICE TO APPLICANTS FOR ADMISSION. READ YOUR ADMISSION CONTRACT. ORAL STATEMENTS OR COMMENTS MADE BY THE FACILITY OR YOU OR YOUR REPRESENTATIVE ARE NOT PART OF YOUR ADMISSION CONTRACT UNLESS THEY ARE ALSO IN WRITING. DO NOT RELY ON ORAL STATEMENTS OR COMMENTS THAT ARE NOT INCLUDED IN THE WRITTEN ADMISSION CONTRACT."

*Subd. 4. [RESIDENTS' SIGNATURES.] (a) Before or at the time of admission, the facility shall make reasonable efforts to communicate the content of the admission contract to, and obtain on the admission contract the signature of, the person who is to be admitted to the facility. The admission contract must be signed by the prospective resident unless the*



*resident is legally incompetent or cannot understand or sign the admission contract because of the resident's medical condition.*

*(b) If the resident cannot sign the admission contract, the reason must be documented in the resident's medical record by the admitting physician.*

*(c) If the determination under paragraph (b) has been made, the facility may request the signature of another person on behalf of the applicant, subject to the provisions of paragraph (d). The facility must not require the person to disclose any information regarding the person's personal financial assets, liabilities, or income, unless the person voluntarily chooses to become financially responsible for the resident's care.*

*(d) A person other than the resident or a spouse who is financially responsible for the resident who signs an admission contract must not be required by the facility to assume financial responsibility for the resident's care. A person who desires to assume financial responsibility for the resident's care may contract with the facility to do so.*

*(e) The admission contract must include written notice, in bold capital letters, that a person other than the resident or financially responsible spouse may not be required by the facility to assume financial responsibility for the resident's care.*

*(f) This subdivision does not preclude the facility from obtaining the signature of a legal representative, if applicable.*

*Subd. 5. [PUBLIC BENEFITS ELIGIBILITY.] An admission contract must clearly and explicitly state whether the facility participates in the Medicare, medical assistance, or Veterans Administration programs. If the facility's participation in any of those programs is limited for any reason, the admission contract must clearly state the limitation and whether the facility is eligible to receive payment from the program for the person who is considering admission or who has been admitted to the facility.*

*Subd. 6. [MEDICAL ASSISTANCE PAYMENT.] (a) An admission contract for a facility that is certified for participation in the medical assistance program must state that neither the prospective resident, nor anyone on the resident's behalf, is required to pay privately any amount for which the resident's care at the facility has been approved for payment by medical assistance or to make any kind of donation, voluntary or otherwise. An admission contract must state that the facility does not require as a condition of admission, either in its admission contract or by oral promise before signing the admission contract, that residents remain in private pay status for any period of time.*

*(b) The admission contract must state that upon presentation of proof of eligibility, the facility will submit a medical assistance claim for reimbursement and will return any and all payments made by the resident, or by any person on the resident's behalf, for services covered by medical assistance, upon receipt of medical assistance payment.*

*(c) A facility that participates in the medical assistance program shall not charge for the day of the resident's discharge from the facility or subsequent days.*

*(d) If a facility's charges incurred by the resident are delinquent for 30 days, and no person has agreed to apply for medical assistance for the resident, the facility may petition the court under chapter 525 to appoint a representative for the resident in order to apply for medical assistance*

for the resident.

(e) *The remedy provided in this subdivision does not preclude a facility from seeking any other remedy available under other laws of this state.*

*Subd. 7. [CONSENT TO TREATMENT.] An admission contract must not include a clause requiring a resident to sign a consent to all treatment ordered by any physician. An admission contract may require consent only for routine nursing care or emergency care. An admission contract must contain a clause that informs the resident of the right to refuse treatment.*

*Subd. 8. [WRITTEN ACKNOWLEDGMENT.] An admission contract must contain a written acknowledgment that the resident has been informed of the patient's bill of rights, as required in section 144.652.*

*Subd. 9. [VIOLATIONS; PENALTIES.] (a) Violation of this section is grounds for issuance of a correction order, and if uncorrected, a penalty assessment issued by the commissioner of health, under section 144A.10. The civil fine for noncompliance with a correction order issued under this section is \$250 per day.*

*(b) Unless otherwise expressly provided, the remedies or penalties provided by this subdivision do not preclude a resident from seeking any other remedy and penalty available under other laws of this state.*

*Subd. 10. [APPLICABILITY.] This section applies to new admissions to facilities on and after October 1, 1989. This section does not require the execution of a new admission contract for a resident who was residing in a facility before the enactment of this section. However, provisions of the admission contract that are inconsistent with or in conflict with this section are voidable at the sole option of the resident. Residents must be given notice of the changes in admission contracts according to this section and must be given the opportunity to execute a new admission contract that conforms to this section."*

And when so amended the bill do pass. Mr. Knaak 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. 1173: A bill for an act relating to human services; requiring counties to contract with post-secondary education institutions regarding child care payments for students on AFDC; guaranteeing continued child care assistance to eligible students who change their county of residence; appropriating money; amending Minnesota Statutes 1988, sections 256.736, subdivision 8; and 256H.08.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 14 to 31

Page 2, line 32, delete "(3) provisions to allow the" and insert "(b) An" and after "institution" insert "must be allowed"

Page 3, line 1, delete the semicolon and insert a period

Page 3, delete lines 2 to 30

Page 4, line 10, delete "a" and insert "an AFDC"

Page 4, line 11, after "and" insert "the move is in the employability plan and"

Page 4, line 14, after "assistance" insert "from the county of origin"

Amend the title as follows:

Page 1, lines 2 and 3, delete "requiring counties to contract with" and insert "authorizing"

Page 1, line 4, delete "regarding" and insert "to complete employability plans for AFDC students in order to obtain federal financial participation" and delete "for students on AFDC"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Knaak 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 re-referred

S.F. No. 340: A bill for an act relating to veterans; clarifying the treatment of certain settlement payments for the purposes of certain assistance programs and benefits; 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 1, line 8, before "Payments" insert "(a)"

Page 1, line 11, after "income" insert "or an available resource"

Page 1, line 15, after the second "state" insert ", except as provided in paragraph (b)"

Page 1, after line 15, insert:

"(b) The income exclusion in paragraph (a) does not apply to the medical assistance, food stamps, or aid to families with dependent children programs until the commissioner of human services receives formal approval from the United States Department of Health and Human Services, for the medical assistance and aid to families with dependent children programs, and from the United States Department of Agriculture, for the food stamps program. The income exclusion does not apply to the Minnesota supplemental aid program until the commissioner receives formal federal approval of the exclusion for 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

S.F. No. 1422: A bill for an act relating to occupations and professions; changing licensure requirements for dental assistants; changing the procedure for setting the salary of the director of the board of dentistry; amending Minnesota Statutes 1988, sections 150A.06, subdivision 2a; and 214.04, subdivision 3; repealing Minnesota Statutes 1988, section 150A.06, subdivision 7.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 909: A bill for an act relating to human services; authorizing reimbursement for cost saving equipment under general assistance medical care; increasing the complement of the department of human services; amending Minnesota Statutes 1988, section 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.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1442: A bill for an act relating to environment; providing methods to remove hazardous substances to facilitate economic development; authorizing loans; appropriating money; amending Minnesota Statutes 1988, sections 469.174, subdivisions 7 and 16; and 469.176, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 12 and 14, delete "to 4" and insert "and 3"

Page 1, line 17, delete "RESPONSE ACTION" and insert "ACTION RESPONSE"

Page 1, line 18, delete "response action" and insert "action response"

Page 1, line 19, delete "4" and insert "469.174, subdivision 17"

Page 3, lines 10, 17, 20, 25, and 29, delete "response action" and insert "action response"

Page 4, lines 3, 5, and 8, delete "response action" and insert "action response"

Page 6, line 16, delete "response action" and insert "action response"

Pages 6 to 11, delete sections 4 to 7

Page 11, line 22, delete "7" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 5 and 6

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. 956: A bill for an act relating to waste management; requiring a county that enters a contract with the state for the siting and development of a stabilization and containment facility to hold a binding referendum on

implementation of the contract; amending Minnesota Statutes 1988, section 115A.191, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, after "a" insert "final"

Page 1, line 22, delete "suitability" and insert "acceptability" and delete "study area" and insert "site"

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. 1436: A bill for an act relating to the Coon Creek watershed district; authorizing the district to decide not to charge certain expenses to individual ditches; allowing imposition of an ad valorem tax on ditch 57.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [COON CREEK WATERSHED DISTRICT.]

*Subdivision 1. [EXPENDITURES NOT CHARGED TO INDIVIDUAL DITCHES.] Notwithstanding Minnesota Statutes, section 106A.725, the Coon Creek watershed district shall not charge back to public ditches number 11, 39, 44, 57, 58, 59, and 60 the \$143,140.94 spent prior to January 1, 1989, by the district from its administrative fund for legal and other administrative expenses on these ditches.*

*Subd. 2. [EXPENDITURES CHARGED TO INDIVIDUAL DITCHES.] The Coon Creek watershed district may impose ad valorem tax levies within the subwatersheds of public ditches number 11, 39, 44, 57, 59, and 60 to raise their individual proportionate shares of the \$207,169.50 needed to reimburse the district's administrative fund for advances made prior to January 1, 1989, to these ditch accounts for engineering expenses and maintenance and repair work. Levies made pursuant to this subdivision may be spread over up to five consecutive years and must be adopted and collected in accordance with the procedure in Minnesota Statutes, section 112.611.*

Sec. 2. [LOCAL APPROVAL.]

*Section 1 is effective upon approval of the Coon Creek watershed board."*

Amend the title as follows:

Page 1, line 5, delete "on ditch 57"

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 and Rural Development, to which was re-referred

S.F. No. 278: A bill for an act relating to economic development; authorizing the establishment of area development alliances; requiring the legislative auditor to perform project evaluations of existing regional development commissions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 10, 13, 16, and 26, delete "17" and insert "16"

Page 2, lines 8 and 12, delete "6" and insert "5"

Page 2, delete section 5

Page 2, line 30, delete "462.404" and insert "462.403"

Page 2, delete lines 32 to 36 and insert:

*"Subdivision 1. [PETITION.] (1) Any combination of contiguous counties, upon approval by a majority of the governing bodies of the cities and towns of each county located within the area for which an area development alliance is proposed, or (2) any combination of counties or cities representing a majority of the population of the area, may petition the commissioner"*

Page 3, delete line 1

Page 3, line 21, delete "17" and insert "16"

Page 3, line 34, after "each" insert "representative"

Page 3, line 35, delete "8" and insert "7"

Page 4, line 2, delete "462.405" and insert "462.404"

Page 4, line 16, delete "none of" and after "have" insert "not"

Page 4, line 17, after "have" insert "not"

Page 5, line 10, after the second "the" insert "alliance"

Page 5, line 13, after the period, insert "*Boundary modifications under this subdivision may only be made by annexation of complete counties.*"

Page 5, line 15, delete "order" and insert "initiate"

Page 5, line 16, after "requirements" insert ". *The commissioner may order an annexation*"

Page 5, line 17, after "met" insert "*and the county board of the county to be annexed has approved the proposed annexation by resolution*"

Page 5, line 27, delete "17" and insert "16"

Page 5, line 29, delete "462.406" and insert "462.405"

Page 6, lines 10 and 13, after "county" insert "*in the alliance*"

Page 7, line 15, delete "462.407" and insert "462.406"

Page 8, line 33, delete "462.408" and insert "462.407"

Page 9, line 1, delete "17" and insert "16"

Page 9, lines 6 and 7, delete "*is the authorized agency to*" and insert "*may*"

Page 9, line 14, after "*delivery*" insert "*related to economic development*"

Page 9, line 33, delete "*17*" and insert "*16*"

Page 10, line 8, delete everything after "*comment*"

Page 10, delete lines 9 to 12

Page 10, line 13, delete "*plan*"

Page 11, line 28, delete "*462.409*" and insert "*462.408*"

Page 12, line 19, after the first "*project*" insert "*, whichever occurs first*"

Page 12, line 24, delete "*462.410*" and insert "*462.409*"

Page 13, line 18, delete "*462.411*" and insert "*462.410*"

Page 13, line 29, delete "*462.412*" and insert "*462.411*"

Page 13, line 31, delete "*17*" and insert "*16*"

Page 13, line 36, delete "*462.413*" and insert "*462.412*"

Page 14, lines 3, 7, and 26, delete "*17*" and insert "*16*"

Page 15, line 10, delete "*disbursement*" and insert "*disbursements*"

Page 16, line 21, delete "*17*" and insert "*16*"

Page 16, line 22, delete "*462.414*" and insert "*462.413*"

Page 17, line 26, delete "*462.415*" and insert "*462.414*"

Page 17, delete lines 27 to 32 and insert:

*"Subdivision 1. [PETITION.] (1) A majority of counties within the alliance, upon approval by a majority of the governing bodies of the cities and towns of each county located within the area for which an alliance exists, or (2) any combination of counties or cities representing a majority of the population of the alliance area, may petition the commissioner by"*

Page 18, line 34, delete "*15*" and insert "*14*"

Renumber the sections in sequence

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. Spear from the Committee on Judiciary, to which was referred

S.F. No. 55: A bill for an act relating to employment; protective agents; prohibiting employers to hire as a protective agent a person convicted of certain crimes; disqualifying persons convicted of criminal sexual conduct from holding a license to operate a private detective or protective agent service; amending Minnesota Statutes 1988, sections 326.336, subdivision 1; 326.3381, subdivision 3, and by adding a subdivision; and 364.09.

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 1988, section 326.32, is amended by adding a subdivision to read:

*Subd. 10c. A “proprietary employer” means an individual, partnership, or corporation that is not engaged in the business of providing protective agents but employs individuals to serve as security guards solely on the employer’s property and its curtilage.*

Sec. 2. Minnesota Statutes 1988, section 326.32, is amended by adding a subdivision to read:

*Subd. 13. (a) “Security guard” means a person who wears or carries any insignia that identifies the person to the public as security, who is paid a fee, wage, or salary to do one or more of the following:*

*(1) prevent or detect intrusion, unauthorized entry or activity, vandalism, or trespass on private property;*

*(2) prevent or detect theft, loss, embezzlement, misappropriation, or concealment of merchandise, money, bonds, stocks, notes, or other valuable documents or papers;*

*(3) control, regulate, or direct the flow or movements of the public, whether by vehicle or otherwise, to assure protection of private property;*

*(4) protect individuals from bodily harm; or*

*(5) enforce policies and rules of the security guard’s employer related to crime reduction to the extent that the enforcement falls within the scope of the security guard’s duties.*

*(b) The term “security guard” does not include:*

*(1) an auditor, accountant, or accounting clerk performing audits or accounting functions;*

*(2) an employee of a firm licensed under section 326.3381 whose duties are primarily administrative or clerical in nature;*

*(3) a person employed by a proprietary company to conduct plain-clothes surveillance or investigation;*

*(4) a person temporarily employed under statute or ordinance by political subdivisions to provide protective services at social functions;*

*(5) an employee of an air or rail carrier;*

*(6) a customer service representative or sales clerk employed in a retail establishment; or*

*(7) a person employed to perform primarily maintenance or custodial functions.*

Sec. 3. Minnesota Statutes 1988, section 326.336, subdivision 1, is amended to read:

Subdivision 1. A license holder may employ, in connection with the business of private detective or protective agent, as many unlicensed persons as may be necessary; provided that every license holder is at all times accountable for the good conduct of every person employed. *When a license holder hires a person to perform services as a private detective or protective agent, the employer shall submit to the bureau of criminal apprehension a full set of fingerprints of each employee and the written consent*



of the ~~employee or prospective~~ employee ~~for~~ to enable the bureau to determine whether that person has a criminal record. *The employee is a conditional employee until the employer receives a report from the bureau that, based on a check of the criminal records maintained by the bureau, the prospective employee has not been convicted in Minnesota of a felony or any offense listed in section 326.3381, subdivision 3, other than a misdemeanor or gross misdemeanor assault. During the period of conditional employment, the person may not serve as a private detective or protective agent, but may be trained by the employer. The bureau shall immediately request the Federal Bureau of Investigation to conduct a check of each conditional employee's criminal record, and the bureau of criminal apprehension shall immediately forward the results to the employer when they are received. If the bureau report or Federal Bureau of Investigation report indicates that the employee was convicted of a disqualifying offense, the employer shall immediately dismiss the employee.*

Sec. 4. Minnesota Statutes 1988, section 326.3381, is amended by adding a subdivision to read:

*Subd. 1a. [PROPRIETARY EMPLOYERS.] A proprietary employer is not required to obtain a license, but must comply with section 326.336, subdivision 1, with respect to the hiring of security guards.*

Sec. 5. Minnesota Statutes 1988, section 326.3381, subdivision 3, is amended to read:

*Subd. 3. [DISQUALIFICATION.] No person is qualified to hold a license who has:*

(1) been convicted of (i) a felony by the courts of this or any other state or of the United States; (ii) acts which, if done in Minnesota, would be *criminal sexual conduct*; assault; theft; larceny; burglary; robbery; unlawful entry; extortion; defamation; buying or receiving stolen property; using, possessing, manufacturing, or carrying weapons unlawfully; using, possessing, or carrying burglary tools unlawfully; escape; possession, production, sale, or distribution of narcotics unlawfully; or (iii) in any other country of acts which, if done in Minnesota, would be a felony or would be any of the other offenses provided in this clause and for which a full pardon or similar relief has not been granted;

(2) made any false statement in an application for a license or any document required to be submitted to the board; or

(3) failed to demonstrate to the board good character, honesty, and integrity.

Sec. 6. Minnesota Statutes 1988, section 364.09, is amended to read:

364.09 [EXCEPTIONS.]

This chapter shall not apply to the practice of law enforcement, *to eligibility for a private detective or protective agent license*, to eligibility for a family day care license, a family foster care license, a home care provider license, or to eligibility for school bus driver endorsements. Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement.

Sec. 7. [EFFECT ON CURRENT EMPLOYEES.]

*Sections 1 to 4 do not apply to persons hired before the effective date*

of those sections.

Sec. 8. [EFFECTIVE DATE.]

*Sections 1 to 7 are effective the day following final enactment.*"

Delete the title and insert:

"A bill for an act relating to employment; protective agents; prohibiting employers to hire as a protective agent a person convicted of certain crimes; disqualifying persons convicted of criminal sexual conduct from holding a license to operate a private detective or protective agent service; amending Minnesota Statutes 1988, sections 326.32, by adding subdivisions; 326.336, subdivision 1; 326.3381, subdivision 3, and by adding a subdivision; and 364.09."

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. 1323: A bill for an act relating to deprivation of parental rights; increasing penalties for parental kidnapping where weapon is used, child is abused, or ransom is demanded; prohibiting concealing a child abducted in another state; amending Minnesota Statutes 1988, section 609.26, subdivisions 1 and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 8, delete "*for 30 days or more*"

Page 2, line 24, delete "*deadly*" and insert "*dangerous*" and delete "*serious*" and insert "*substantial*" and delete "*another while*" and insert "*effect the taking*"

Page 2, line 25, delete "*committing the violation*"

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. 94: A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

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. 312: A bill for an act relating to employment; providing for review of an employee's personnel record; providing for removal or revision of disputed information contained in an employee's personnel record; limiting records of nonemployment activities; regulating use of omitted information; 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, delete "8" and insert "7"

Page 1, line 16, delete "the" and insert "this" and delete "for"

Page 1, delete lines 17 to 20

Page 1, line 21, delete "months" and insert ", and includes current and former employees"

Page 1, line 27, delete "collectively"

Page 2, lines 10 and 11, delete "criminal offenses" and insert "a violation of a criminal or civil statute by an employee or an investigation of employee conduct for which the employer may be liable"

Page 2, line 29, delete "such" and insert "the"

Page 2, line 31, delete "would be"

Page 2, line 32, delete "otherwise not clearly" and insert "is not"

Page 2, line 35, delete "authored"

Page 3, line 4, delete "would ordinarily be" and insert "are"

Page 3, delete line 11

Page 3, line 12, delete "must be made in good faith."

Page 3, line 18, before the period, insert "if the personnel record is located in this state. or no later than 14 working days after receipt of the request if the personnel record is located outside this state"

Page 3, line 19, after "or" insert "an" and delete "thereof"

Page 3, line 25, after the period, insert "Upon the employee's request, the employer shall provide a copy of the record to the employee. An employer may not charge a fee for providing copies that exceeds the actual cost of making and compiling the copies."

Subd. 3. [GOOD FAITH.] *The employer may deny access to an employee record if the request is not made in good faith.*"

Page 3, line 31, delete the colon

Page 3, delete lines 32 to 35

Page 3, line 36, delete the paragraph coding and delete "(2)"

Page 4, line 8, delete "thereafter"

Page 4, line 9, before the period, insert "after the position statement is submitted"

Page 4, line 10, delete "No" and insert "A"

Page 4, line 12, after "may" insert "not"

Page 4, line 13, delete "unless" and insert "if it is consistent with"

Page 4, line 14, delete "is not"

Page 4, line 15, delete "remove or" and after "revise" insert "or include a position statement regarding" and delete "and the employer"

Page 4, delete lines 16 to 18

Page 4, delete section 4

Page 4, line 29, delete "181.964" and insert "181.963"

Page 4, line 32, after "may" insert "not"

Page 4, line 34, delete "provided that" and insert "unless the employer did not intentionally omit the information and" and delete "has been" and insert "is"

Page 5, line 1, delete "181.965" and insert "181.964"

Page 5, lines 3 and 19, delete "7" and insert "6"

Page 5, line 4, delete "181.966" and insert "181.965"

Page 5, lines 7 and 11, delete "6" and insert "5"

Page 5, line 9, delete "5" and insert "4"

Page 5, line 13, delete everything after "fees"

Page 5, line 14, delete everything before the period

Page 5, line 16, delete "six"

Page 5, line 17, delete "months" and insert "one year"

Page 5, line 18, delete "181.967" and insert "181.966"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 5 and 6, delete "limiting records of nonemployment activities;"

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. 1081: A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; establishing a panel to investigate racism by judges and evaluate mechanisms for criticizing judges; 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. [SUPREME COURT STUDY OF RACIAL BIAS IN THE JUDICIAL SYSTEM.]

*Subdivision 1. [STUDY.] The supreme court shall study racial bias in the judicial system in Minnesota. The court shall appoint an advisory task force to assist with the study.*

*Subd. 2. [CONTENTS.] The study must examine the extent to which racial bias exists in the judicial system, including the existence of discriminatory treatment of litigants, witnesses, jurors, judges, attorneys, and court personnel who are members of racial minorities. The study should:*

*(1) identify positions within the judicial system including, but not limited to, judges, judicial clerks, court reporters, judicial administrators and their*

staff, county attorneys, public defenders and their staff, and identify minority representation or underrepresentation in the positions;

(2) review sentencing patterns to see if the length or conditions of sentences vary based on the defendant's race;

(3) review the jury selection process, including grand juries, to determine the representation or underrepresentation of minority populations on juries and determine if the use of peremptory strikes varies based on the juror's race; and

(4) review other aspects of court operations as appropriate to identify patterns of different and unequal treatment of racial minority persons.

The task force shall report its findings and recommendations to the legislature by January 1, 1993.

Sec. 2. [APPROPRIATION.]

\$. . . . . is appropriated from the general fund to the supreme court to carry out the study under section 1."

Delete the title and insert:

"A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; appropriating money."

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. 190: A bill for an act relating to corporations; providing that the control share acquisition and business combination statutes apply to certain corporations unless they elect not to be covered; clarifying application of the statutes; reducing the period of time that business combinations may be regulated from five years to three years; removing restrictions on business combinations if an interested shareholder acquires at least 90 percent of the voting shares; modifying requirements for the use of committees to determine whether a corporation should pursue certain legal remedies; providing that meeting notices do not have to be sent to shareholders when mail has been returned undeliverable; amending Minnesota Statutes 1988, sections 302A.011, subdivisions 41 and 49; 302A.243; 302A.435, subdivision 1; 302A.671, subdivision 1; and 302A.673, subdivisions 1 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 15, delete "three-year" and insert "four-year"

Pages 4 and 5, delete sections 3 and 4 and insert:

"Sec. 3. Minnesota Statutes 1988, section 302A.111, subdivision 3, is amended to read:

Subd. 3. [STATUTORY PROVISIONS THAT MAY BE MODIFIED EITHER IN ARTICLES OR IN BYLAWS.] The following provisions govern a corporation unless modified either in the articles or in the bylaws:

(a) Directors serve for an indefinite term that expires at the next regular meeting of shareholders (section 302A.207);

- (b) The compensation of directors is fixed by the board (section 302A.211);
- (c) A certain method must be used for removal of directors (section 302A.223);
- (d) A certain method must be used for filling board vacancies (section 302A.225);
- (e) If the board fails to select a place for a board meeting, it must be held at the principal executive office (section 302A.231, subdivision 1);
- (f) A director may call a board meeting, and the notice of the meeting need not state the purpose of the meeting (section 302A.231, subdivision 3);
- (g) A majority of the board is a quorum for a board meeting (section 302A.235);
- (h) A committee shall consist of one or more persons, who need not be directors, appointed by affirmative vote of a majority of the directors present (section 302A.241, subdivision 2);
- (i) The board may establish a *special litigation* committee of ~~disinterested persons~~ (section ~~302A.243~~ 302A.241);
- (j) The chief executive officer and chief financial officer have specified duties, until the board determines otherwise (section 302A.305);
- (k) Officers may delegate some or all of their duties and powers, if not prohibited by the board from doing so (section 302A.351);
- (l) The board may establish uncertificated shares (section 302A.417, subdivision 7);
- (m) Regular meetings of shareholders need not be held, unless demanded by a shareholder under certain conditions (section 302A.431);
- (n) In all instances where a specific minimum notice period has not otherwise been fixed by law, not less than ten-days notice is required for a meeting of shareholders (section 302A.435, subdivision 2);
- (o) The number of shares required for a quorum at a shareholders' meeting is a majority of the voting power of the shares entitled to vote at the meeting (section 302A.443);
- (p) The board may fix a date up to 60 days before the date of a shareholders' meeting as the date for the determination of the holders of shares entitled to notice of and entitled to vote at the meeting (section 302A.445, subdivision 1);
- (q) Indemnification of certain persons is required (section 302A.521); and
- (r) The board may authorize, and the corporation may make, distributions not prohibited, limited, or restricted by an agreement (section 302A.551, subdivision 1).

Sec. 4. Minnesota Statutes 1988, section 302A.161, subdivision 17, is amended to read:

Subd. 17. [COMMITTEES.] A corporation may establish committees of the board of directors, elect or appoint persons to the committees, and define their duties as provided in ~~sections~~ section 302A.241 and ~~302A.243~~ and fix their compensation.

Sec. 5. Minnesota Statutes 1988, section 302A.241, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] A resolution approved by the affirmative vote of a majority of the board may establish committees having the authority of the board in the management of the business of the corporation only to the extent provided in the resolution. *Committees may include a special litigation committee consisting of one or more independent directors or other independent persons to consider legal rights or remedies of the corporation and whether those rights and remedies should be pursued. Committees other than special litigation committees are subject at all times to the direction and control of the board, except as provided in section 302A.243.*

Sec. 6. Minnesota Statutes 1988, section 302A.251, subdivision 2, is amended to read:

Subd. 2. [RELIANCE.] (a) A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(2) Counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence; or

(3) A committee of the board upon which the director does not serve, duly established in accordance with ~~sections~~ *section 302A.241 and 302A.243*, as to matters within its designated authority, if the director reasonably believes the committee to merit confidence.

(b) Paragraph (a) does not apply to a director who has knowledge concerning the matter in question that makes the reliance otherwise permitted by paragraph (a) unwarranted.

Sec. 7. Minnesota Statutes 1988, section 302A.435, subdivision 1, is amended to read:

Subdivision 1. [TO WHOM GIVEN.] *Except as otherwise provided in this chapter*, notice of all meetings of shareholders shall be given to every holder of shares entitled to vote, ~~except where~~ *unless*:

(1) the meeting is an adjourned meeting and the date, time, and place of the meeting were announced at the time of adjournment; or

(2) *the following have been mailed by first class mail to a shareholder at the address in the corporate records and returned undeliverable:*

(i) *two consecutive annual meeting notices; and*

(ii) *all meeting notices during the period between the two annual meetings; or all payments of dividends, provided there are at least two sent during a 12-month period.*

*An action or meeting that is taken or held without notice under clause (2) has the same force and effect as if notice was given. If the shareholder delivers a written notice of the shareholder's current address to the corporation, the notice requirement is reinstated."*

Page 6, line 27, delete "three" and insert "four"

Page 6, line 29, delete the new language

Page 6, line 30, delete the paragraph coding and delete "(1)"

Page 6, line 36, delete "; or"

Page 7, lines 1 to 10, delete the new language

Page 10, after line 18, insert:

"Sec. 11. [REPEALER.]

*Minnesota Statutes 1988, section 302A.243, is repealed.*

Sec. 12. [EFFECTIVE DATE.]

*Section 11 is effective the day following final enactment and applies to proceedings pending under Minnesota Statutes, section 302A.243, or proceedings commenced on or after that date. Notwithstanding any contrary provision of Minnesota Statutes, chapter 645, the repeal of section 302A.243 does not imply that the legislature has accepted or rejected the substance of the repealed section but must be interpreted in the same manner as if section 302A.243 had not been enacted."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "three" and insert "four"

Page 1, delete lines 8 to 10 and insert "eliminating procedures for the use"

Page 1, line 16, delete "302A.243" and insert "302A.111, subdivision 3; 302A.161, subdivision 17; 302A.241, subdivision 1; 302A.251, subdivision 2"

Page 1, line 18, before the period, insert "; repealing Minnesota Statutes 1988, section 302A.243"

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. 339: A bill for an act relating to health; including anabolic steroids in the list of controlled substances; amending Minnesota Statutes 1988, section 152.02, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, before "The" insert "(a)" and after "IV;" insert "Anabolic substances;"

Page 1, line 17, reinstate the stricken language and delete "; anabolic substances;" and insert:

"(b) For purposes of this subdivision, "anabolic substances" means"

Page 1, line 21, delete "chorionic" and insert "growth substances"

Page 1, line 22, delete "gonadotropin" and insert ", except that anabolic



*substances are not included if they are: (1) expressly intended for administration through implants to cattle or other nonhuman species; and (2) approved by the United States Food and Drug Administration for that use"*

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. 1433: A bill for an act relating to utilities; low-income energy needs; designating the department of public service as the agency responsible for coordinating energy policy for low-income Minnesotans; requiring the department to gather certain information on low-income energy programs; prescribing certain uses for oil overcharge money; appropriating money; amending Minnesota Statutes 1988, sections 216B.241, subdivisions 1 and 2; 216C.02, subdivision 1; 216C.10; 216C.11; 216C.27, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, delete section 7

Page 10, line 2, after the semicolon, insert "and"

Page 10, delete lines 3 and 4

Page 10, line 5, delete "(3)" and insert "(2)"

Page 10, line 33, delete "11" and insert "10"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete "216C.27,"

Page 1, line 11, delete everything before "proposing"

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. 1020: A bill for an act relating to education; authorizing and establishing procedures for the sale of all or part of the Minnesota Educational Computing Corporation; amending Minnesota Statutes 1988, sections 119.04, subdivision 2, and by adding subdivisions; 119.06, subdivision 3; and 119.09.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 25, before "Sale" insert "(a)"

Page 3, line 26, delete "shall be"

Page 3, delete line 27 and insert "may not take place unless the conditions set in paragraphs (b) and (c) are met."

Page 3, line 28, delete "(a)" and insert "(b)"

Page 3, lines 33 and 36, delete “*shall*” and insert “*must*”

Page 3, line 35, delete “(b)” and insert “(c)”

Page 6, line 5, delete “*shall*” and insert “*must*”

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. 87: A bill for an act relating to agriculture; providing a linked deposit program to allow eligible agricultural businesses and small businesses to obtain operating loans at reduced interest rates; requiring linked deposit agreements for eligible lending institutions to receive linked deposits; authorizing the state investment board to purchase investments from eligible lending institutions; imposing a penalty; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 1, line 19, delete “9” and insert “8”

Page 3, line 5, delete “4” and insert “3”

Page 3, after line 12, insert:

“*Subd. 9. [RURAL FINANCE AUTHORITY.] “Rural finance authority” means the Minnesota rural finance authority established by section 41B.025.*”

Page 5, line 2, delete “, including making orders and” and insert “and may adopt”

Page 5, lines 3 and 6, delete “*must*” and insert “*shall*”

Page 5, line 21, delete “8” and insert “7”

Page 6, lines 13 and 15, delete “8” and insert “7”

Page 6, line 26, delete “\$8,000,000” and insert “\$ . . . . .”

Page 7, line 2, delete “9” and insert “8”

Page 7, line 4, delete “11” and insert “10”

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. 1202: A bill for an act relating to metropolitan government; restructuring the regional transit board and the metropolitan transit commission; directing the board to plan and coordinate light rail transit systems in the metropolitan area; directing the commission to operate any light rail transit systems; transferring responsibility for distribution of the transit assistance fund and for receipt of federal grants to the board; requiring a transit delivery study; amending Minnesota Statutes 1988, sections 174.32,

subdivision 2; 473.169, subdivisions 3, 4, 5, and by adding subdivisions; 473.373, by adding a subdivision; 473.375, subdivision 8, and by adding a subdivision; 473.404, subdivisions 2 and 3; and 473.4051; repealing Minnesota Statutes 1988, sections 473.1691; 473.17; 473.373, subdivision 4; and 473.398.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 15, after the period, insert "A regional rail authority that had not developed a comprehensive plan before January 1, 1989, is eligible for state assistance if its light rail transit plans are consistent with the metropolitan council's long-range transportation plans and corridor recommendations developed before January 1, 1989."

Pages 5 and 6, delete section 8 and insert:

"Sec. 8. Minnesota Statutes 1988, section 473.373, is amended by adding a subdivision to read:

*Subd. 4a. [MEMBERSHIP] The board consists of 11 members, appointed to four-year terms as follows:*

*(1) a chair appointed by the governor with the advice and consent of the senate;*

*(2) a person who is age 65 or older at the time of appointment, appointed by the governor;*

*(3) a person with a disability, appointed by the governor; and*

*(4) eight persons appointed by the metropolitan council from agency districts under section 473.141, subdivision 2, four of whom must be elected members of the governing bodies of cities in the metropolitan area and four of whom must be elected members of the governing bodies of counties in the metropolitan area."*

Page 9, delete lines 17 to 21 and insert:

*"(1) three of the members appointed by the metropolitan council who are elected members of the governing bodies of cities, two years;*

*(2) two of the members appointed by the metropolitan council who are elected members of the governing bodies of counties, two years; and*

*(3) all others, four years."*

Page 11, after line 1, insert:

"Sec. 16. [SUSPENSION OF TAXING AUTHORITY.]

*Notwithstanding Minnesota Statutes, section 398A.04, a regional rail authority may not levy taxes for purposes of planning, acquisition of property, construction, or any other purpose related to light rail transit until the regional transit board has completed the plan required by section 10 and submitted it to the legislature for review and comment."*

Page 11, line 6, delete "16" and insert "17"

Renumber the sections in sequence

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. 1460: A bill for an act relating to economic development; regulating the jobs skills partnership program; amending Minnesota Statutes 1988, sections 116L.02; 116L.03, subdivision 7, and by adding a subdivision; 116L.04, subdivision 1; repealing Laws 1983, chapter 334, section 7, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 10, delete "*shall*" and insert "*must*"

Page 2, line 18, strike "(a) The" and insert "(1) *the*"

Page 2, line 21, strike "(b) The" and insert "(2) *the*"

Page 2, line 23, strike "(c) Preference" and insert "(3) *preference*"

Page 2, line 27, delete the new language and strike "shall" and insert "*A single grant to any one institution may*"

Amend the title as follows:

Page 1, line 2, delete "regulating" and insert "regulating"

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. 506: A bill for an act relating to gambling; creating a division of gaming enforcement; providing for its powers and duties; changing size and membership of charitable gambling control board; making changes in the manner in which charitable gambling is conducted; requiring audits; changing the requirement relating to distributors and manufacturers of gambling equipment; increasing the penalty for paying off on video games of chance; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 240.02, subdivision 1; 240.06, subdivision 3; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 349.11; 349.12, subdivisions 3, 11, 12, 13, 15, 17, 20, and by adding subdivisions; 349.15; 349.151; 349.16, subdivision 4; 349.161; 349.162; 349.163; 349.164; 349.17, subdivision 2a; 349.18, subdivision 1, and by adding a subdivision; 349.19, subdivisions 2, 3, 6, and by adding subdivisions; 349.20; 349.21; 349.212, subdivision 1, and by adding subdivisions; 349.2121, subdivisions 2 and 3; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 2; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; and 609.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 349; proposing coding for new law as Minnesota Statutes, chapter 299K; repealing Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.212, subdivisions 2 and 4; and 349.2121, subdivision 4.

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. [299K.01] [DIVISION OF GAMBLING ENFORCEMENT.]

*Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.*

*(b) "Commissioner" means the commissioner of public safety.*

*(c) "Director" means the director of gambling enforcement.*

*Subd. 2. [ESTABLISHED.] The division of gambling enforcement is a division in the department of public safety under the control and supervision of a director, appointed by the commissioner and serving at the commissioner's pleasure in the unclassified service.*

*Subd. 3. [EMPLOYEES.] The commissioner shall employ in the division of gambling enforcement personnel, in the classified service, necessary to carry out the duties under this chapter."*

Page 2, line 15, delete "DIRECTOR" and insert "DIVISION OF GAMBLING ENFORCEMENT"

Page 2, lines 16 and 31, delete "director of gaming" and insert "commissioner"

Page 2, lines 17 and 32, delete "enforcement"

Page 2, lines 20 and 26, delete "director of gaming enforcement" and insert "commissioner"

Page 3, line 6, delete "director" and insert "commissioner"

Page 3, line 7, delete "of gaming enforcement"

Page 3, line 10, delete "director of gaming enforcement" and insert "commissioner"

Page 3, line 15, delete "director of gaming" and insert "division of gambling"

Page 3, lines 18 and 19, delete "of gaming enforcement"

Page 3, line 24, delete "director of gaming" and insert "division of gambling"

Page 3, lines 25 and 31, delete the first comma and insert "or" and delete ", or 349A"

Page 3, line 32, delete "director of gaming" and insert "employees of the division of gambling" and delete "has" and insert "have"

Page 4, line 14, delete the first comma and insert "or" and delete ", or 349A"

Page 4, line 15, delete "the director of gaming" and insert "employees of the division of gambling"

Page 4, lines 18 and 19, delete "director of gaming enforcement" and insert "commissioner"

Page 4, line 22, delete "director" and insert "commissioner"

Page 4, lines 23 and 24, delete "of gaming enforcement"

Page 4, lines 30 and 31, delete "director of gaming enforcement" and insert "commissioner"

Page 4, line 33, delete the first comma and insert "or" and delete "349A" and insert "any law relating to the lottery"

Page 5, line 4, delete “*director of gaming enforcement*” and insert “*commissioner*”

Page 5, lines 18 and 19, delete “*director of gaming enforcement*” and insert “*commissioner*”

Page 5, lines 32 and 33, delete “*director of gaming enforcement’s*” and insert “*commissioner’s*”

Page 6, line 1, delete “*director of gaming*” and insert “*division of gambling*”

Page 6, line 3, delete “*director of gaming enforcement*” and insert “*commissioner*”

Page 6, line 5, delete “*director’s*” and insert “*commissioner’s*”

Page 6, lines 7 and 18, delete “*of gaming*”

Page 6, line 8, delete “*enforcement*” and delete “*gaming*” and insert “*gambling*”

Page 6, line 19, delete “*enforcement*” and after “*division*” insert “*of gambling enforcement*”

Page 11, lines 25 and 26, delete “*for terms of six years*”

Page 12, lines 5 to 8, delete the new language

Page 12, line 10, delete everything after the period

Page 12, delete line 11

Page 12, line 12, delete everything before “*The*”

Page 12, line 13, delete “*gaming*” and insert “*gambling*”

Page 12, delete lines 15 and 16 and insert:

“Subd. 3. [COMPENSATION.] The *terms, compensation, and removal of board members is and filling of membership vacancies are* as provided in section 15.0575, ~~subdivision 3.~~”

Page 12, line 17, reinstate the stricken language

Page 14, line 31, delete “REMOVAL;”

Page 14, delete lines 32 to 36

Page 15, line 1, delete “*Subd. 2. [CONFLICT OF INTEREST.]*”

Page 16, line 24, delete “*gaming*” and insert “*gambling*”

Page 17, lines 20 and 21, delete “*director of gaming*” and insert “*division of gambling*”

Page 17, line 23, delete “*director of gaming*” and insert “*division of gambling*”

Page 17, lines 25 and 26, delete “*director of gaming*” and insert “*division of gambling*”

Page 18, line 32, reinstate the stricken “*Employees of the*” and delete the new language

Page 18, line 33, delete the new language and insert “*division of gambling enforcement*”

Page 19, line 25, delete "*director of gaming*" and insert "*employees of the division of gambling*"

Page 20, lines 11 and 12, delete "*The director of gaming*" and insert "*Employees of the division of gambling*"

Page 21, lines 11 and 12, delete "*director of gaming*" and insert "*division of gambling*"

Page 21, lines 14 and 16, delete "*director of gaming*" and insert "*division of gambling*"

Page 22, line 24, after the period, insert "*No organization may conduct lawful gambling on premises under the jurisdiction of or leased from a state agency listed in section 15.06, subdivision 1, a metropolitan agency as defined in section 473.121, subdivision 5a, or a school district.*"

Page 24, line 19, reinstate the stricken "employees of the" and delete the new language

Page 24, line 20, delete "*gaming*" and insert "*division of gambling*"

Page 30, lines 2 and 11, delete "*gaming*" and insert "*gambling*"

Page 32, line 33, delete "*gaming*" and insert "*gambling*"

Page 33, line 10, delete "*gaming*" and insert "*gambling*"

Page 36, delete lines 24 to 30

Pages 37 to 40, delete sections 1 and 2

Page 40, line 23, delete "*gaming*" and insert "*gambling*"

Page 40, line 29, delete "*director of gaming*" and insert "*division of gambling*"

Page 40, line 34, delete "*director of gaming*" and insert "*division of gambling*" and delete "*director's*" and insert "*division's*"

Page 41, lines 1, 11, 18, 31, and 36, delete "*director of gaming*" and insert "*division of gambling*"

Page 42, line 5, delete "7" and insert "5"

Renumber the sections of article 3 in sequence

Amend the title as follows:

Page 1, line 2, delete "*gaming*" and insert "*gambling*"

Page 1, line 3, after "enforcement" insert "within the department of public safety"

Page 1, line 11, delete everything after "sections"

Page 1, line 12, delete the first "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. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 262: A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; establishing a legislative commission on water; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating water conservation, water appropriations, and setting fees; establishing regulations, enforcing violations, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 5, 12, 15, 19, 21, 26, 30, and by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 18B.07, subdivisions 2, 3, 4, and 6; 18B.08, subdivisions 1, 3, and 4; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3 and 7; 18B.34, subdivisions 1, 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, 3, and 4; 40.42, by adding a subdivision; 40.43, subdivisions 2 and 6; 105.41, subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 105.418; 110B.04, subdivision 6; 115B.20; 116C.41, subdivision 1; 144.381; 144.382, subdivision 1, and by adding a subdivision; and 473.877, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 18E; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.15; 18B.16; 18B.18; 18B.19; 18B.20; 18B.21; 18B.22; 18B.23; 18B.25; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 12, delete "*chapter 18C*" and insert "*article 7, section 2, subdivision 11*"

Page 3, after line 12, insert:

"*Subd. 8. [GROUNDWATER.] "Groundwater" means groundwater as defined in section 115.01, subdivision 21.*"

Page 3, line 16, delete "*chapter 18C*" and insert "*article 7, section 2, subdivision 25*"

Page 3, delete lines 22 to 26

Page 3, line 32, delete "*chapter 18C*" and insert "*article 7, section 2, subdivision 34*"

Page 4, delete lines 13 and 14

Renumber the subdivisions in sequence

Page 5, delete lines 9 to 14 and insert:

"*Subd. 5. [STATE PROTECTION OF SENSITIVE AREAS.] (a) The*



*commissioner of agriculture for pollution resulting from agricultural chemicals and practices and the pollution control agency for other pollutants must consider the type of risk identified under subdivision 3 when adopting best management practices, water resource protection plans, and water resource protection requirements to prevent and minimize groundwater degradation in sensitive areas.*

*(b) To prevent and minimize groundwater degradation, state agencies must consider the type of risk identified under subdivision 3 when undertaking an activity within a sensitive area."*

Page 6, lines 18 and 27, delete "receive" and insert "solicit"

Page 11, line 14, delete "inorganic"

Page 21, line 13, delete "(c)" and insert "Subd. 8. [SHORELAND MANAGEMENT GRANTS.] (a)"

Page 21, line 16, delete "(d)" and insert "(b)"

Page 21, line 18, delete "(e)" and insert "(c)"

Page 21, line 20, delete "(f)" and insert "(d)"

Page 26, line 6, delete "(d)" and insert "(e)"

Page 28, line 14, before the period, insert ", and for a variance relating to well construction, the nonrefundable application fee shall be the same amount as the well permit fee"

Page 32, line 35, delete "in use" and insert "not sealed by"

Page 34, line 36, delete "\$150" and insert "\$50"

Page 35, line 2, delete "\$300" and insert "\$100"

Page 35, line 18, before the period, insert "for each well, except a dewatering project comprising more than ten wells shall be issued a single permit for wells recorded on the permit for \$250"

Page 36, line 11, after "(2)" insert "is required to be sealed under this chapter and"

Page 36, line 36, after "property" insert "or a person authorized to act on behalf of the seller"

Page 36, after line 36, insert:

*"(c) If a seller fails to provide a well certificate, a buyer, or a person authorized to act on behalf of the seller, may sign a well certificate based on the information provided on the disclosure required by this section or based on other available information."*

Page 37, line 1, delete "(c)" and insert "(d)"

Page 37, line 10, delete "(d)" and insert "(e)"

Page 37, line 18, delete "damages," and after "costs" delete the comma and after "fees" delete the comma

Page 37, line 19, delete everything after "well"

Page 37, delete line 20

Page 37, line 21, delete everything before the period

Page 45, line 11, delete "by a well" and insert ". sealed, and reported"

Page 45, line 12, delete “*contractor*” and after “*commissioner*” insert “*by a well contractor or a monitoring well contractor*” and delete “*An*”

Page 45, delete line 13

Page 48, line 24, delete “\$250” and insert “\$50”

Page 71, line 25, delete “*Subdivision 1. [WATER SHORTAGE EMERGENCY RULES.]*”

Page 75, delete section 12

Page 76, delete section 17

Page 78, line 16, delete everything after “*by*”

Page 78, line 17, delete everything before the semicolon and insert “*FIFRA*”

Page 91, after line 16, insert:

“Sec. 47. Minnesota Statutes 1988, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(a) chosen by election or appointed to fill an elective office;

(b) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(c) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;

(d) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(e) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(f) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

(g) employees of the Washington, D.C., office of the state of Minnesota;

(h) employees of the legislature and of legislative committees or commissions: provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(i) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(j) officers and enlisted persons in the national guard;

(k) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(l) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(m) members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

(n) chaplains employed by the state;

(o) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(p) student workers; ~~and~~

(q) employees unclassified pursuant to other statutory authority; and

(r) *intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation.*"

Page 92, line 18, delete "28" and insert "26"

Renumber the sections of article 6 in sequence

Page 93, line 30, delete "unmanipulated" and after "manures" insert "that are not manipulated"

Page 95, line 2, after "blended," insert "or"

Page 95, line 12, after "chapter" insert "or by rule"

Page 96, delete lines 4 to 6

Renumber the subdivisions in sequence

Page 98, delete lines 13 to 20

Page 113, line 2, before "manufacture" insert "sell or distribute bulk fertilizers for use on agricultural lands, custom apply fertilizers, or"

Page 113, line 29, delete everything after the first "fertilizer" and insert "and"

Page 115, line 7, delete everything after "(a)"

Page 115, delete lines 8 and 9

Page 115, line 10, delete the paragraph coding and delete "(b)"

Page 115, line 13, delete "(c)" and insert "(b)"

Page 115, line 15, delete "(d)" and insert "(c)"

Page 123, line 16, after "costs" insert a comma

Page 123, line 17, delete "administrative costs" and after "for" insert "a" and after "action" insert "administrative cost"

Page 123, line 19, before the period, insert "all costs"

Page 124, line 8, delete "OF APPLICATOR'S" and insert "FOR"

Page 124, line 9, delete everything after "or" and insert "chapter 18C"

Page 124, line 10, delete “*agricultural chemical*”

Page 124, line 11, after “*chapter*” insert “, *chapter 18B, or chapter 18C*”

Page 139, line 5, delete everything after “*caused*”

Page 139, line 6, delete “*18D*” and insert “*18C*” and delete “*shall*” and insert “*may*”

Page 139, line 7, after “*pay*” insert “*a portion of*”

Page 145, line 12, after “*the*” insert “*legislative commission on water and the*”

Page 147, after line 22, insert:

“(c) *For a comprehensive evaluation of pesticide applicator health, and an education program to improve applicator health and safety practices. This portion of the appropriation is to be distributed by the university to the laboratory of environmental medicine and pathology and the department of family practice for a coordinated applicator study and education program* § . . . . .”

Amend the title as follows:

Page 1, line 23, delete “18B.03, by adding a subdivision;”

Page 1, line 36, after “3;” insert “17;”

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, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 818: A bill for an act relating to retirement; public employees retirement association; excluding volunteer firefighters from membership; amending Minnesota Statutes 1988, section 353.01, subdivision 2b.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1  
LOCAL POLICE AND FIRE  
RELIEF ASSOCIATION LEGISLATION

Section 1. [ST. PAUL POLICE AND FIRE DEPARTMENT RELIEF ASSOCIATIONS; BYLAW AMENDMENT REQUIRED.]

*The St. Paul police relief association and the St. Paul fire department relief association shall amend their articles of incorporation and bylaws to ensure that retired members of the police department and fire department are represented on the board of directors of the associations in the same proportion that the number of retired members in each relief association bears to the total membership of each relief association; provided, however, that in no event shall the retired members of the St. Paul police relief*

*association and the St. Paul fire department relief association ever be entitled under the articles of incorporation and bylaws to more seats on the board of directors than the active members of the respective associations.*

Sec. 2. [ST. PAUL POLICE RELIEF ASSOCIATION; SURVIVING SPOUSE BENEFIT AMOUNT.] Laws 1955, chapter 151, section 13, as amended by Laws 1963, chapter 271, section 7; Laws 1971, chapter 549, section 2; Laws 1980, chapter 600, section 14; and Laws 1983, chapter 47, section 1, is amended to read:

Sec. 13. [SURVIVOR BENEFIT; QUALIFICATION AND AMOUNT.] The association shall pay a pension to the surviving spouse or any child under 18 years of age of any pensioned and retired member, or to the surviving spouse or any child under 18 years of age of any member who dies while in the service of the city police department, or to the surviving spouse or any child under 18 years of age of any member who, after being a member of the city police department for not less than 20 years, severs his or her connection with the department, and dies before attaining the age of 50 years. The association shall pay to any such surviving spouse a pension of ~~20~~ *not less than 22.5 units, nor more than 27.5 units*, per month, *as the bylaws of the association provide, subject to Minnesota Statutes, section 69.77, subdivision 2i*. The association shall pay to any such child under 18 years of age a pension of five units per month until the child attains the age of 18 years, provided, however, that if such child is married at the time of the death of the member or marries or becomes legally adopted after the death of the member, the child shall not be entitled to such benefits. If the surviving spouse and children reside together, the pension payable to the children shall be paid to the surviving spouse and shall be used for the support of the children. If a surviving spouse remarries, the pension immediately ceases and the association shall not make any further pension payments; provided further that if the remarriage terminates for any reason, the surviving spouse, whose benefit terminated solely because of remarriage, shall be entitled upon reapplication to a surviving spouse's benefit; provided, however, that such person shall not be entitled to retroactive payments for any period of time, prior to the effective date of this act or reapplication, whichever is later. For the purposes of this section, all provisions governing a child under 18 shall be extended to include a full time student under the age of 23.

Sec. 3. [BLOOMINGTON FIREFIGHTERS RELIEF ASSOCIATION; DUTY DISABILITY BENEFIT.]

*Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision 9, or any other law to the contrary, the Bloomington firefighters relief association may provide a duty disability benefit to a volunteer firefighter who:*

*(1) becomes disabled from a medically determinable injury or illness arising out of or occurring in the course of the line of duty;*

*(2) is not entitled to the immediate receipt of a service pension equal to the amount of a service pension payable to a retiring firefighter with 20 years of service; and*

*(3) complies with any other requirement specified in the bylaws of the association.*

*The duty disability benefit must be equal to the amount of the service pension payable to a retiring firefighter with 20 years of service.*

*A Bloomington volunteer firefighter who has received a duty related disability benefit and who returns to active firefighting duties with the Bloomington fire department must accrue service credit towards a service pension for the period of the receipt of the duty related disability benefit.*

Sec. 4. [BLOOMINGTON FIREFIGHTERS RELIEF ASSOCIATION; NONDUTY DISABILITY BENEFIT.]

*The Bloomington firefighters relief association may provide a volunteer firefighter who becomes disabled from an injury or illness not arising out of or not occurring in the course of the line of duty with a disability benefit as the bylaws of the relief association specify, subject to the provisions of Minnesota Statutes, section 424A.02, subdivision 9.*

Sec. 5. Laws 1965, chapter 446, section 2, is amended to read:

Sec. 2. [BLOOMINGTON FIREFIGHTERS RELIEF ASSOCIATION; DUTY RELATED DEATH SURVIVOR BENEFITS.]

*Notwithstanding Minnesota Statutes, section 424A.02, subdivision 9, or any other provision of law to the contrary and in lieu of the widows pension surviving spouse benefit provided in Minnesota Statutes, Section 424.24, the firemen's firefighters relief association in the city of Bloomington may provide a pension surviving spouse benefit to the widow surviving spouse of a volunteer fireman firefighter who dies as the result of an injury or illness arising out of or in the course of the line of duty, if the surviving spouse qualifies under the terms of Minnesota Statutes, Section 424.24, of not more than a sum. The surviving spouse benefit must not exceed an amount equal to one fourth of the salary as payable from time to time during the period of pension payment to policemen of the highest grade, not including officers of the police department, in the employ of the city, such pension to three-quarters of the amount of the service pension payable to a retiring firefighter with 20 years of service. The surviving spouse benefit must be paid as the bylaws of the association provide for her natural life; provided that if she remarries, such pension shall upon remarriage, the surviving spouse benefit must cease to accrue and terminate as of the date of her remarriage.*

*In event If there is a surviving child or there are surviving children of a deceased firefighter who suffered a duty related death as provided in Minnesota Statutes, Section 424.24, the firemen's relief association of the city of Bloomington may provide for a pension of not more than four percent of the monthly salary as payable from time to time during the period of pension payment to policemen of the highest grade, not including officers of the department, in the employ of the city, surviving child benefit. The surviving child benefit must not exceed an amount equal to 12 percent of the amount of the service pension payable to a retiring firefighter with 20 years of service for each child up to the time each child reaches the age of not less than 16 years or more than 18 years as the bylaws of the association provide; provided. The total pension hereunder survivor benefits for the widow surviving spouse and children of the deceased member shall not exceed one third of the monthly salary of a policeman of the highest grade, not including officers of the police department, in the employ of the municipality the amount of the service pension payable to a retiring firefighter with 20 years of service during the period of the pension payment.*

Sec. 6. Laws 1965, chapter 446, section 3, is amended to read:

Sec. 3. [BLOOMINGTON FIREFIGHTERS RELIEF ASSOCIATION;

DUTY RELATED DEATH SURVIVING CHILD BENEFITS IN CERTAIN INSTANCES.] The firemen's Bloomington firefighters relief association of the city of Bloomington may provide a pension surviving child benefit for the child or children of a deceased member with a duty related death after the death of their mothers the surviving spouse, of such the amount as the board of trustees of the association shall deem considers necessary to properly support such the child or children until they reach an the age of not more than 18, as the bylaws of the association provide; provided. The total pension hereunder surviving child benefit for the child or children of the deceased member shall not exceed a sum an amount equal to one third of the monthly salary of a policeman of the highest grade, not including officers of the police department, in the employ of the municipality the amount of the service pension payable to a retiring firefighter with 20 years of service during the period of the pension survivor benefit payment.

Sec. 7. [BLOOMINGTON FIREFIGHTERS RELIEF ASSOCIATION; NONDUTY RELATED DEATH SURVIVOR BENEFITS.]

*The Bloomington firefighters relief association may provide the surviving spouse, surviving child, or surviving children of a volunteer firefighter, who dies from an injury or illness not arising out of or not occurring in the course of the line of duty, with a survivor benefit as the bylaws of the relief association specify, subject to Minnesota Statutes, section 424A.02, subdivision 9.*

Sec. 8. [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 \$100 a month. Increases may be made retroactive to January 1, 1989.*

Sec. 9. [MANKATO FIRE DEPARTMENT RELIEF ASSOCIATION; AMENDMENT AUTHORIZED.]

*Subdivision 1. [AUTHORIZATION.] Subject to Minnesota Statutes, section 69.77, subdivision 2i, the Mankato fire department relief association may amend its constitution and bylaws to provide for payment of disability benefits to active regular salaried firefighters who, because of medically determinable sickness or injury, are unable to perform their duties as firefighters, regardless of whether the sickness was caused in the performance of duty or the injury occurred while on duty.*

*Subd. 2. [REGULAR SALARIED FIREFIGHTER NONDUTY DISABILITY BENEFIT AMOUNT.] The nonduty disability benefit for regular salaried firefighters must not exceed the amount of the duty disability benefit.*

Sec. 10. Laws 1982, chapter 574, section 5, as amended by Laws 1985, chapter 261, section 16, is amended to read:

Sec. 5. [VIRGINIA POLICE; BENEFIT CHANGES FOR PARTICIPANTS.]

If the bylaws so authorize, the following changes shall be effective:

(a) The service pension payable to persons who retired from the police

department on or before January 12, 1966, shall be supplemented by ~~\$100~~ \$200 per month.

(b) For any participant who terminated employment after 20 ~~or more~~ years of service, the amount of the monthly service pension payable after the participant has attained the age of at least 50 years shall be equal to ~~one-half~~ 50 percent of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to termination of service, or to the rank and position most analogous thereto, *plus an additional one percent for each full year of service in excess of 20 years to a maximum of 60 percent*, payable by the police department in each month during which the retired participant receives a service pension.

(c) The amount of a monthly disability pension shall be equal to one-half of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to his or her disability or the rank and position most analogous thereto, payable by the police department in each month during the period of the participant's disability, subject to any integration of benefits. *Disability pensions payable for disabilities incurred on or before January 11, 1967, are increased by \$100 per month.*

(d) The benefit paid to the surviving spouse of a participant who died on or before January 11, 1967, shall be increased by ~~\$50~~ \$100 per month, *with benefits payable until the surviving spouse's death or remarriage.*

(e) The benefit paid to a surviving child shall be increased to \$50 per child per month, subject to any limitation placed on the total amount of survivor's benefits.

Sec. 11. [BROOKLYN CENTER VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; REPEAL.]

*Laws 1967, chapter 815; Laws 1978, chapter 683; and Laws 1981, chapter 224, section 245, are repealed.*

Sec. 12. [MINNETONKA VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; INCREASED NONFORFEITABLE SERVICE PENSION PERCENTAGE.]

*Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision 2, to the contrary, if the articles of incorporation or the bylaws of the relief association so provide, subject to Minnesota Statutes, section 424A.02, subdivision 10, the Minnetonka volunteer firefighters relief association may pay a service pension to a retiring member who meets the minimum age, service, and other requirements of Minnesota Statutes, section 424A.02, subdivision 1. The amount of the service pension is that portion of a service pension payable with 20 years of service that full years of service credited by the relief association bear to 20 years of service.*

Sec. 13. [EFFECTIVE DATE.]

*Subdivision 1. Sections 1 and 11 are effective the day following final enactment.*

*Subd. 2. Section 2 is effective the day following approval by the city council of the city of St. Paul and compliance with Minnesota Statutes, section 645.021. Sections 3 to 7 are effective the day following approval*



*by the city council of the city of Bloomington and compliance with Minnesota Statutes, section 645.021. Section 8 is effective the day following approval by the city council of the city of Eveleth and compliance with Minnesota Statutes, section 645.021. Section 9 is effective the day following approval by the governing body of the city of Mankato and compliance with Minnesota Statutes, section 645.021. Section 10 is effective the day following approval by the governing body of the city of Virginia and compliance with Minnesota Statutes, section 645.021. Section 12 is effective the day following approval by the governing body of the city of Minnetonka and compliance with Minnesota Statutes, section 645.021.*

ARTICLE 2  
VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION  
VESTING AND RELATED CHANGES

Section 1. Minnesota Statutes 1988, section 424A.01, subdivision 2, is amended to read:

Subd. 2. [STATUS OF SUBSTITUTE OR PROBATIONARY VOLUNTEER FIREFIGHTERS.] No person who is serving as a substitute or a probationary volunteer firefighter shall be deemed to be a firefighter for purposes of chapter 69 or this chapter nor shall be authorized to be a member of any volunteer firefighters' relief association governed by chapter 69 or this chapter.

Sec. 2. Minnesota Statutes 1988, section 424A.02, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] ~~Any~~ A relief association, when its articles of incorporation or bylaws so provide, may pay out of the assets of its special fund a service pension to each of its members who: (1) separates from active service with the fire department; (2) reaches ~~the~~ age of 50 years; (3) completes at least ~~ten~~ five years of active service as an active member of the municipal fire department to which the relief association is associated; (4) completes at least ~~ten~~ five years of active membership with the relief association ~~prior to before~~ separation from active service; and (5) complies with any additional conditions as to age, service, and membership ~~which that~~ are prescribed by the bylaws of the relief association. The service pension may be paid whether or not the municipality or nonprofit firefighting corporation to which the relief association is associated qualifies for fire state aid under chapter 69. In the case of a member who has completed at least ~~ten~~ five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least ~~ten~~ five years of active membership with the relief association ~~prior to before~~ separation from active service may be waived by the board of trustees of the relief association if the member completes at least ~~ten~~ five years of inactive membership with the relief association ~~prior to before~~ the payment of the service pension. During the period of inactive membership, the member ~~shall is not be~~ entitled to receive any disability benefit coverage, ~~shall is not be~~ entitled to receive any additional service credit towards computation of a service pension, and ~~shall be deemed is considered~~ to have the status of a person entitled to a deferred service pension ~~pursuant to under~~ subdivision 7.

No municipality or nonprofit firefighting corporation is authorized to may delegate the power to take final action in setting a service pension or

ancillary benefit amount or level to the board of trustees of the relief association or to approve in advance a service pension or ancillary benefit amount or level equal to the maximum amount or level ~~which~~ *that* this chapter would allow rather than a specific dollar amount or level.

No relief association as defined in section 424A.001, subdivision 4, ~~shall~~ *may* pay a service pension or disability benefit to ~~any~~ a former member of the relief association if that person has not separated from active service with the fire department to which the relief association is directly associated.

For the purposes of this chapter, "to separate from active service" means to cease to perform fire suppression duties and to cease to supervise fire suppression duties.

Sec. 3. Minnesota Statutes 1988, section 424A.02, subdivision 2, is amended to read:

Subd. 2. [NONFORFEITABLE PORTION OF SERVICE PENSION.] If the articles of incorporation or bylaws of a relief association so provide, a relief association may pay a reduced service pension to a retiring member who has completed fewer than 20 years of service. The reduced service pension may be paid when the retiring member meets the minimum age and service requirements of subdivision 1.

The amount of the reduced service pension ~~shall~~ *may* not exceed the amount calculated by multiplying the service pension appropriate for the completed years of service as specified in the bylaws times the applicable nonforfeitable percentage of pension. The ~~applicable~~ nonforfeitable percentage of pension amounts are as follows:

Completed Years of Service	Nonforfeitable Percentage of Pension Amount
5	40 percent
6	44 percent
7	48 percent
8	52 percent
9	56 percent
10	60 percent
11	64 percent
12	68 percent
13	72 percent
14	76 percent
15	80 percent
16	84 percent
17	88 percent
18	92 percent
19	96 percent
20 and thereafter	100 percent

Sec. 4. Minnesota Statutes 1988, section 424A.02, subdivision 7, is amended to read:

Subd. 7. [DEFERRED SERVICE PENSIONS.] A member of a relief association to which this section applies is entitled to a deferred service pension if the member:

(1) has completed the lesser of the minimum period of active service with the fire department specified in the bylaws or 20 years of active service

with the fire department;

(2) has completed at least ~~ten~~ *five* years of active membership in the relief association; and

(3) separates from active service and membership ~~prior to before~~ reaching ~~the age of 50 years~~ or the minimum age for retirement and commencement of a service pension specified in the bylaws governing the relief association if that age is greater than ~~the age of 50 years~~. The deferred service pension ~~shall commence~~ *starts* when the former member reaches ~~the age of 50 years~~ or the minimum age specified in the bylaws governing the relief association if that age is greater than ~~the age of 50 years~~ and when the former member makes a valid written application. ~~Any~~ A relief association ~~which that~~ provides a lump sum service pension may, when its governing bylaws so provide, pay interest on the deferred lump sum service pension during the period of deferral. If provided for, interest ~~shall~~ *must* be paid at the rate actually earned by the relief association, but not to exceed the interest rate specified in section 356.215, subdivision 4d, and ~~shall~~ *must* be compounded annually based on calendar year balances. The deferred service pension ~~shall be~~ *is* governed by and ~~shall~~ *must* be calculated ~~pur-~~ ~~suant to any~~ *under* the general statute, special law, relief association articles of incorporation, or relief association bylaw provisions applicable ~~as of on~~ the date on which the member separated from active service with the fire department and active membership in the relief association.

Sec. 5. Minnesota Statutes 1988, section 424A.02, subdivision 13, is amended to read:

Subd. 13. [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, if every affected relief association does not require only a five-year service vesting requirement, or five years or more, if every affected relief association requires only a five-year service vesting requirement,~~ 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~~ *one year* 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. 6. Minnesota Statutes 1988, section 424A.10, is amended to read:

424A.10 [STATE SUPPLEMENTAL BENEFIT; VOLUNTEER FIREFIGHTERS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "qualified recipient" means an individual who receives ~~an involuntary~~ a lump sum distribution of pension or retirement benefits from a firefighters' relief association for service performed as a volunteer firefighter.

Subd. 2. [PAYMENT OF SUPPLEMENTAL BENEFIT.] Upon the payment by a firefighters' relief association of ~~an involuntary~~ a lump sum distribution to a qualified recipient, the association must pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary,

the relief association may pay the supplemental benefit out of its special fund. The amount of this benefit equals ten percent of the regular ~~involuntary~~ lump sum distribution that is paid on the basis of service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000.

Subd. 3. [STATE REIMBURSEMENT.] By February 15 of each year, the relief association shall apply to the commissioner of revenue for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year. By March 15 the commissioner shall reimburse the relief association for the amount of the supplemental benefits paid to qualified recipients. The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement. The reimbursement payment must be deposited in the special fund of the relief association.

Subd. 4. [IN LIEU OF INCOME TAX EXCLUSION.] The supplemental benefit provided by this section is in lieu of the state income tax exclusion for ~~involuntary~~ lump sum distributions of retirement benefits paid to volunteer firefighters. If the law is modified to exclude or exempt volunteer firefighters' lump sum distributions from state income taxation, the supplemental benefits under this section may no longer be paid beginning with the first calendar year in which the exclusion or exemption is effective. This subdivision does not apply to exemption of all or part of a lump sum distribution under section 290.032 or 290.0802.

Sec. 7. [REPEAL.]

*Minnesota Statutes 1988, section 424A.01, subdivision 3a, is repealed.*

Sec. 8. [EFFECTIVE DATE.]

*Sections 1 to 7 are effective on the day following final enactment.*

### ARTICLE 3 SALARIED FIREFIGHTERS RELIEF ASSOCIATION ESCALATION BASE IN CERTAIN INSTANCES

Section 1. Minnesota Statutes 1988, section 423A.01, subdivision 2, is amended to read:

Subd. 2. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.] ~~(a) The following provisions shall of paragraphs (b) to (g) govern the operation of a local relief association upon where the modification of retirement coverage for newly hired police officers or salaried firefighters; has been modified as provided in subdivision 1.~~

~~(b) The minimum obligation of a municipality in which the retirement coverage for newly hired police officers or salaried firefighters has been modified pursuant to subdivision 1 other than the city of Crookston regarding the Crookston fire department relief association with respect to the local relief association shall must be determined and governed in accordance with the provisions of sections 69.77, 356.215 and 356.216; except that. However, the normal cost calculation for the relief association shall must be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to under subdivision 1 shall must~~

not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.

(2) (c) The contribution rate of active members of the local relief association shall ~~must~~ be governed by section 69.77, ~~unless a or any applicable special law establishing, whichever establishes a greater member contribution rate is applicable whereupon it shall continue to govern.~~ The member contribution rate of persons with retirement coverage modified pursuant to under subdivision 1 shall ~~must~~ be governed by section 353.65.

(3) (d) Unless otherwise provided for by law, when every active member of the local relief association retires or terminates from active duty and no consolidation question has been initiated or remains pending under chapter 353A, the local relief association shall ~~must~~ cease to exist as a legal entity and the assets of the special fund of the relief association shall ~~must~~ be transferred to a trust fund to be established by the ~~appropriate applicable~~ municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. Recipient beneficiaries who are competent to act on their own behalf shall ~~be~~ are entitled to select the prescribed number of board of trustees members of the trust fund as provided in this clause, subject to the approval of by the governing body of the municipality of the selected trustees. If there are at least five recipient beneficiaries, the trust fund shall ~~must~~ be managed by a board of trustees composed of five persons selected by the recipient beneficiaries of the fund. ~~When~~ If there are fewer than five recipient beneficiaries, the number of trustees selected by the recipient beneficiaries shall ~~be~~ must equal to the number of the remaining recipient beneficiaries; and the governing body of the municipality shall select the additional trustees. Persons serving as trustees are not required to have any prior or current membership in or relationship with the relief association. The term of the elected members of the board of trustees shall ~~be~~ is indefinite and shall ~~continue~~ continues until a vacancy occurs in one of the board of trustee member positions. Board of trustee trustees members shall ~~may~~ not be compensated for their services, but shall ~~may~~ be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee trustees members. The chief administrative officer of the municipality shall perform ~~whatever~~ the services that are necessary to administer the trust fund and the applicable benefit plan. When all obligations of the trust fund are paid and no current or prospective benefit recipients remain, the balance of the assets remaining in the trust fund shall ~~revert~~ to the municipality for deposit in the general fund of the municipality and expenditure for law enforcement or firefighting purposes, whichever is applicable applies.

(4) (e) The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall ~~must~~ be determined in accordance with sections 69.77, 356.215 and 356.216, and the minimum obligation of the municipality with respect to the trust fund must be paid annually until the unfunded actuarial accrued liability of the trust fund is fully amortized in accordance with section 69.77, subdivision 2b. If it is a greater amount than the minimum obligation of the municipality determined in accordance with sections 69.77, 356.215, and 356.216, the municipality shall ~~must~~ provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which that are projected anticipated as payable for the following calendar year, as determined by the board of trustees of the trust fund, less

the amount of assets in the trust fund as of the end of the most ~~current~~ *recent* calendar year for which figures are available, valued ~~pursuant to~~ *under* section 356.20, subdivision 4, clause (1)(a), if the difference between those two figures is a positive number.

~~(5)~~ *(f)* In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the post retirement increase calculation for the local relief association ~~shall~~ *must* be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date ~~immediately prior to the effective date of the modification of retirement coverage for newly hired personnel pursuant to subdivision 4 June 15, 1980, or as of the effective date of any subsequent applicable law, articles of incorporation amendment, or bylaw amendment,~~ as the applicable salary is reset by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund. *If, for a local salaried firefighters relief association, the specified position no longer exists because of a reorganization of the fire department as a volunteer fire department, the percentage increase in the salary of the position of a top grade patrol officer in the police department of the municipality must be the basis for service pension and retirement benefit postretirement increase calculations.*

~~(6)~~ *(g)* If the modification of retirement coverage implemented ~~pursuant to~~ *under* subdivision 1 ~~is applicable~~ *applies* to a local police relief association, the police state aid received by the municipality ~~shall~~ *must* be disbursed ~~pursuant to~~ *under* section 69.031, subdivision 5, clause (2)(c). If the modification of retirement coverage implemented ~~pursuant to~~ *under* subdivision 1 ~~is applicable~~ *applies* to a local firefighters' relief association, the fire state aid received by the applicable municipality ~~shall be disbursed~~ *must be allocated* as the municipality at its option may elect. The municipality may elect: ~~(a)~~ *(i)* to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or ~~(b)~~ *(ii)* to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund ~~pursuant to~~ *under* section 353.65, subdivision 3; or ~~(c)~~ *(iii)* to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each *pension plan*.

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment.*

#### ARTICLE 4 EXCLUSION OF VOLUNTEER FIREFIGHTERS FROM THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 1988, 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":

(1) persons employed for professional services where the service is incidental to regular professional duties, determined on the basis that compensation for the service amounts to no more than 25 percent of the person's total annual gross earnings for all professional duties;

(2) election officers;

(3) independent contractors and their employees;

(4) patient and inmate help in governmental subdivision charitable, penal, and correctional institutions;

(5) members of boards, commissions, bands, and others who serve the governmental subdivision intermittently;

(6) employees whose employment is not expected to continue for a period longer than six consecutive months;

(7) part-time employees who receive monthly compensation from a governmental subdivision not exceeding \$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 \$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 \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members continue their membership until termination of public service;

(8) persons who first occupy an elected office after July 1, 1988, the compensation for which does not exceed \$425 per month;

(9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster;

(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 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 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;

(11) police matrons employed in a police department of a city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;

(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;

(13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are not employed full time by a governmental subdivision;

(14) resident physicians, medical interns, and pharmacist interns who are serving in public hospitals;

(15) appointed or elected officers, paid entirely on a fee basis, who were not members on June 30, 1971;

(16) persons holding a part-time adult supplementary technical institute license who render part-time teaching service in a technical institute if the service is incidental to the person's regular nonteaching occupation, the applicable technical institute stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year, and the part-time teaching service actually does not exceed 300 hours in a fiscal year; ~~and~~

(17) persons exempt from licensure under section 125.031; *and*

*(18) except as provided in section 353.86, volunteer firefighters, as defined in subdivision 35, engaging in activities undertaken as part of volunteer firefighter duties. but a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the public employees retirement association and a participant in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment activities other than those as a volunteer firefighter.*

(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 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 1988, section 353.01, subdivision 10, is amended to read:



Subd. 10. [SALARY.] "Salary" means the periodical compensation of a public employee, before deductions for deferred compensation, 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 are not considered a salary. Lump sum annual or lump sum sick leave payments, 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, are not deemed to be salary. Before the time that all sick leave has been used, amounts paid to an employee under a disability insurance policy or program where the employer paid the premiums are considered salary, and, after all sick leave has been used, the payment is not considered salary. Workers' compensation payments are not considered salary. *Except as provided in section 353.86, compensation of any kind paid to a volunteer firefighter, as defined in subdivision 35, is not considered salary.* For a public employee who has prior service covered by a local police or firefighters relief association 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, "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 by law and by bylaw provisions governing the relief association 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. 3. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

*Subd. 35. [VOLUNTEER FIREFIGHTER.] For purposes of this chapter, a person is considered a volunteer firefighter if the person's hours of service as a volunteer firefighter for a governmental unit are provided with no promise, expectation, or receipt of compensation for the service rendered, except for reimbursement of expenses, reasonable benefits, normal fees, or a combination thereof.*

Sec. 4. [353.86] [VOLUNTEER FIREFIGHTERS; PARTICIPATION; LIMITATION; AND REFUND.]

*Subdivision 1. [PARTICIPATION.] Except as provided in subdivision 2, a volunteer firefighter, as defined in section 353.01, subdivision 35, who, before July 1, 1989, was a member of, and a participant in, the public employees retirement fund or the public employees police and fire fund and was making contributions to either of those funds based, at least in part, on compensation for services performed as a volunteer firefighter shall continue as a member of, and a participant in, the public employees retirement fund or the public employees police and fire fund and compensation for services performed as a volunteer firefighter shall be considered salary.*

*Subd. 2. [OPTION.] A volunteer firefighter to whom subdivision 1 applies shall have the option to terminate membership and future participation in the public employees retirement fund or the public employees police and fire fund upon filing of a written notice of intention to terminate participation. Notice must be given on a form prescribed by the executive director of the association and must be filed in the offices of the association not later than June 30, 1990.*

*Subd. 3. [LIMITATION.] No volunteer firefighter to whom subdivision 1 applies or the governmental employer of the volunteer firefighter shall be required to make back contributions to the public employees retirement association for past volunteer firefighter services rendered before July 1, 1989, notwithstanding the provisions of section 353.27, subdivision 12.*

*Subd. 4. [REFUND.] Upon timely filing of a valid notice of termination of participation in accordance with subdivision 2, a volunteer firefighter to whom subdivision 1 applies shall be given a refund of all past employee contributions made on account of volunteer firefighter service with five percent interest compounded annually.*

*Subd. 5. [FURTHER OPTION.] A volunteer firefighter, as defined in section 353.01, subdivision 35, who is or becomes a member of, and a participant in, the public employees retirement fund or the public employees police and fire fund and makes contributions to either of those funds based on compensation for services other than services as a volunteer firefighter, shall have the option of making contributions to the same fund for service performed as a volunteer firefighter with compensation received for those volunteer firefighter services considered salary, provided that the volunteer firefighter is not a participant in, or covered under, a local volunteer firefighter plan and notwithstanding the fact that the volunteer firefighter service is performed for one governmental unit and the non-volunteer firefighter service is performed for another governmental unit.*

Sec. 5. Minnesota Statutes 1988, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] Any person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall as long as the person remains in either position, be deemed to continue membership in the fund. Any person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978, by virtue of being a police officer as defined by this section on that date shall be entitled, if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, to continue membership in the fund whether or not that person has the power of arrest by warrant after that date. Any person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 353A.01 to 353A.10, and has elected coverage by the public employees police and fire fund benefit plan, shall be considered to be a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date. Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund. Any employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer. Any employee serving on less than a full-time basis as a firefighter, ~~other than a volunteer firefighter,~~ shall become a

member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter. Any police officer or firefighter, ~~other than a volunteer firefighter,~~ employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any police or firefighter relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund and *any police officer or firefighter of a relief association that has consolidated with the association* 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 a volunteer firefighters relief association to which sections 69.771 to 69.776 apply~~ shall not be a member of this fund.

Sec. 6. [EFFECTIVE DATE.]

*Sections 1 to 5 are effective July 1, 1989.*

#### ARTICLE 5 DISPOSITION OF EXCESS POLICE STATE AID

Section 1. Minnesota Statutes 1988, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [INSURANCE TRUST FUND.] An insurance trust fund is established in the state treasury. The deposits consist of the premiums received from employers participating in the plan *and transfers from the public employees insurance reserve holding account established by section 353.65, subdivision 7.* All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund shall be credited to the fund.

Sec. 2. Minnesota Statutes 1988, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall

immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association deposited in the public employees insurance reserve holding account of the public employees retirement association; or

(c) For a municipality in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), *except that all state aid in excess of the amount required to meet the employer's contribution under section 353.65, subdivision 3, must be transmitted to the relief association if the relief association has an unfunded actuarial accrued liability*, or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b), *except that all state aid in excess of the amount required to meet the employer's contribution under section 353.65, subdivision 3, must be transmitted to the relief association if the relief association has an unfunded actuarial accrued liability on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).*

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association deposited in the public employees insurance reserve holding account of the public employees retirement association.

Sec. 3. Minnesota Statutes 1988, section 353.65, subdivision 1, is amended to read:

Subdivision 1. There is a special fund known as the "public employees police and fire fund." In that fund there shall be deposited employee contributions, employer contributions *other than the excess contribution established by section 69.031, subdivision 5, paragraphs (2), clauses (b) and (c), and (3)*, and other amounts authorized by law including all employee and employer contributions of members transferred. Within the public employees police and fire fund are accounts for each municipality known as the "local relief association consolidation accounts," which are governed

by section 353A.09.

Sec. 4. Minnesota Statutes 1988, section 353.65, subdivision 6, is amended to read:

*Subd. 6. All contributions other than the excess contribution established by section 69.031, subdivision 5, paragraphs (2), clauses (b) and (c), and (3), shall be credited to the fund and all interest and other income of the fund shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said fund and the annuities herein provided upon retirement shall be paid from said fund.*

Sec. 5. Minnesota Statutes 1988, section 353.65, is amended by adding a subdivision to read:

*Subd. 7. The public employees insurance reserve holding account is established in the public employees retirement association. Excess contributions established by section 69.031, subdivision 5, paragraphs (2), clauses (b) and (c), and (3), must be deposited in the account. These contributions and all investment earnings associated with them must be regularly transferred to the insurance trust fund established by section 43A.316, subdivision 9."*

Delete the title and insert:

"A bill for an act relating to retirement; various local police and fire relief associations, the police state aid program, and the public employees retirement association; expanding the representation of retirees on the St. Paul police and fire department relief associations; increasing the St. Paul police relief association surviving spouse benefit; providing for duty related disability and death benefits of the Bloomington firefighters relief association; providing for postretirement adjustments from the Eveleth police and fire trust fund; providing for nonduty disability benefit coverage of the Mankato fire department relief association; providing postretirement and active service pension increases for the Virginia police relief association; repealing Brooklyn Center firefighters relief association local laws; authorizing greater nonforfeitable short-service pension for the Minnetonka volunteer firefighters relief association; eliminating a membership restriction for probational firefighters for volunteer firefighters relief associations; clarifying volunteer firefighters relief association supplemental benefits; reducing the service requirement for volunteer firefighters relief association service pensions to five years; clarifying the escalator base for certain salaried firefighters relief associations; excluding volunteer firefighters from public employee retirement association membership; redirecting excess police state aid amounts to the public employees insurance plan; amending Minnesota Statutes 1988, sections 43A.316, subdivision 9; 69.031, subdivision 5; 353.01, subdivisions 2b, 10, and by adding a subdivision; 353.64, subdivision 1; 353.65, subdivisions 1, 6, and by adding a subdivision; 423A.01, subdivision 2; 424A.01, subdivision 2; 424A.02, subdivisions 1, 2, 7, and 13; 424A.10; Laws 1955, chapter 151, section 13, as amended; Laws 1965, chapter 446, sections 2 and 3; and Laws 1982, chapter 574, section 5, as amended; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1988, section 424A.01, subdivision 3a; Laws 1967, chapter 815; Laws 1978, chapter 683; and Laws 1981, chapter 224, section 245."

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. 1201: A bill for an act relating to retirement; teachers retirement association; making various administrative changes in the laws governing operation of the association; establishing an appeal procedure; amending Minnesota Statutes 1988, sections 136.81, subdivision 1; 136.82, subdivisions 1 and 2; 354.05, subdivisions 35 and 37; 354.06, by adding a subdivision; 354.07, subdivision 3; 354.091; 354.092; 354.10, subdivision 2; 354.35; 354.42, subdivision 7; 354.44, subdivisions 3, 5, and 8; 354.47, subdivision 2; 354.48, subdivisions 1 and 2; 354.65; 356.30, subdivision 2; 356.371, subdivision 3; and 356.80, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 354; repealing Minnesota Statutes 1988, sections 136.88, subdivision 3; 354.41, subdivision 3; 354.531; 354.532; 354.55, subdivision 5; and 354.56.

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 STATE RETIREMENT SYSTEM  
ADMINISTRATION PROVISIONS

Section 1. Minnesota Statutes 1988, section 43A.44, subdivision 2, is amended to read:

Subd. 2. [BENEFITS.] Employees in shared positions shall be eligible for the following benefits and subject to the following obligations:

(a) (1) Membership in the Minnesota state retirement system, the teachers retirement association or the state patrol retirement fund, whichever is appropriate, ~~except that, notwithstanding any provision of section 352.01, subdivisions 11 and 16, 352B.01, subdivision 3, 354.05, subdivisions 13 and 25, or 354.091, employees shall have allowable service for the purpose of meeting the minimum service requirements for eligibility to a retirement annuity or other retirement benefit credited in full, but shall have benefit accrual service for the purpose of computing a retirement annuity or other retirement benefit credited on a fractional basis either weekly or annually based upon the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time week or a full-time year.~~

(b) (2) Vacation and sick leave accruals shall be prorated in accordance with the pertinent collective bargaining agreement or plan covering the position;

(c) (3) Employee dental, medical and hospital benefits coverage shall be available of the same type and coverage afforded to comparable full-time employees. Employees in shared positions who elect such coverage shall pay, by payroll deduction, the difference between the actual cost to the employer and the appropriate shared time percent of the actual cost. The remaining percent shall be paid by the employer. Employee life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees;

(d) (4) Dependent life insurance coverage shall be available to employees

in shared positions on the same terms as for comparable full-time employees. Dependent medical, hospital and dental benefits coverage shall be available to employees in shared positions of the same type and coverage afforded to comparable full-time employees, except that the employer shall contribute the appropriate shared time percent of the dollar amount contributed for comparable full-time employees electing the same program, the remainder to be paid by payroll deduction by the employee electing such coverage;

(e) (5) Employees in shared positions shall be entitled to the prorated holiday provisions of the applicable collective bargaining agreement or plan covering the position;

(f) (6) Employees in shared positions shall accrue seniority time in every relevant category at the same rate accorded to comparable full-time employees. No full-time employee accepting a shared position shall suffer any loss of or gap in seniority time in the relevant categories applicable to the full-time employment; and

(g) (7) Any other benefits of employment for employees in shared positions shall be prorated at a rate of the appropriate shared time percent of those available to comparable full-time employees, whenever the benefits are divisible. Contributions by the employer toward the benefits, if any, shall be equal to the appropriate shared time percent of the full-time benefits. When not divisible, the cost of the full-time benefits normally allocable to the employer shall be allocated, the appropriate shared time percent to the employee in a shared position, by payroll deduction, and the remaining percent to the employer.

Sec. 2. Minnesota Statutes 1988, section 352.01, subdivision 11, is amended to read:

Subd. 11. [ALLOWABLE SERVICE.] "Allowable service" means:

(1) Service by an employee for which on or before July 1, 1957, the employee was entitled to allowable service credit on the records of the system by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, chapter 352, as amended by Laws 1955, chapter 239.

(2) Service by an employee for which on or before July 1, 1961, the employee chose to obtain credit for service by making payments to the fund under Minnesota Statutes 1961, section 352.24.

(3) Except as provided in clauses (9) and (10), service by an employee after July 1, 1957, for any calendar month in which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041.

(4) Except as provided in clauses (9) and (10), service by an employee after July 1, 1957, for any calendar month for which payments in lieu of salary deductions are made, deposited, and credited in the fund, as provided in section 352.27 and Minnesota Statutes 1957, section 352.021, subdivision 4.

For purposes of clauses (3) and (4), except as provided in clauses (9) and (10), any salary paid for a fractional part of any calendar month is deemed the compensation for the entire calendar month.

(5) The period of absence from their duties by employees who are temporarily disabled because of injuries incurred in the performance of duties and for which disability the state is liable under the workers' compensation law until the date authorized by the director for the commencement of payments of a total and permanent disability benefit from the retirement fund.

(6) The unused part of an employee's annual leave allowance for which the employee is paid salary.

(7) Any service covered by a refund repaid as provided in section 352.23 or 352D.05, subdivision 4, except service rendered as an employee of the adjutant general for which the person has credit with the federal civil service retirement system.

(8) Any service before July 1, 1978, by an employee of the transit operating division of the metropolitan transit commission or by an employee on an authorized leave of absence from the transit operating division of the metropolitan transit commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division, which was credited by the metropolitan transit commission-transit operating division employees retirement fund or any of its predecessor plans or funds as past, intermediate, future, continuous, or allowable service as defined in the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on December 31, 1977.

(9) Service after July 1, 1983, by an employee who is employed on a part-time basis for less than 50 percent of full time, for which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041 or for which payments in lieu of salary deductions are made, deposited, and credited in the fund as provided in section 352.27 shall be credited on a fractional basis either by pay period, monthly, or annually based on the relationship that the percentage of salary earned bears to a full-time salary, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time pay period, month, or a full-time year. For periods of part-time service that is duplicated service credit, section 356.30, subdivision 1, clauses (i) and (j), govern.

~~(10) Any service by an employee in the Minnesota demonstration job-sharing program under sections 43A.40 to 43A.465 which is less than 40 hours per week or 2,080 hours per year and for which the employee is paid salary from which deductions are made, deposited and credited in the fund; shall be credited on a fractional basis either weekly or annually based on the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year; with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time week or a full-time year.~~

The allowable service determined and credited on a fractional basis under ~~clauses (9) and (10)~~ shall be used in calculating the amount of benefits payable, but service as determined on a fractional basis must not be used in determining the length of service required for eligibility for benefits.

~~(11) (10) Any period of authorized leave of absence without pay that does not exceed one year and for which the employee obtained credit by~~



payment to the fund in lieu of salary deductions. To obtain credit, the employee shall pay an amount equal to the employee and employer contribution rate in section 352.04, subdivisions 2 and 3, multiplied by the employee's hourly rate of salary on the date of return from leave of absence and by the days and months of the leave of absence without pay for which the employee wants allowable service credit. The employing department, at its option, may pay the employer amount on behalf of its employees. Payments made under this clause shall include interest at the rate of six percent per year from the date of termination of the leave of absence to the date payment is made unless payment is completed within one year of the return from leave of absence.

Sec. 3. Minnesota Statutes 1988, section 352.021, subdivision 5, is amended to read:

Subd. 5. [CONTINUING COVERAGE.] Any state employee who has made contributions to the retirement fund for a period of one year and who, continuing in state service after that year, becomes eligible for membership in the state teachers retirement association as a full-time teacher, as defined in section 354.05, subdivision 2, may continue coverage under the system by filing in its office written notice of election to continue. The election to be covered by the system under this subdivision or section 352.01, subdivision 2b, clause (3), must be made on a form approved by the director within 90 days after appointment to the position. If the option is exercised, the employee is not thereafter entitled to membership in the teachers retirement association while employed by the state in a position that entitled the employee to make this election.

Sec. 4. Minnesota Statutes 1988, section 352.03, subdivision 11, is amended to read:

Subd. 11. [LEGAL ADVISER, ATTORNEY GENERAL.] The attorney general shall be the legal adviser of the board and of the director. The board may sue or be sued or petitioned under section 5 in the name of the board of directors of the system. In actions brought by it or against it, the board shall be represented by the attorney general; and, except as provided in section 5, subdivision 9, venue of actions shall be in the Ramsey county district court.

Sec. 5. [352.031] [APPEALS PROCEDURE.]

*Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, for the purpose of this section, the following terms have the meanings given them.*

(a) "Board" means the board of directors of the Minnesota state retirement system.

(b) "Documentation" includes, but is not limited to:

(1) sworn and notarized affidavits made on the personal knowledge of any person;

(2) official letters or documents;

(3) documents from the file of the petitioner; and

(4) other relevant documents that are admissible as evidence in a court of law.

(c) "Executive director" means the executive director of the Minnesota

*state retirement system.*

(d) "Person" includes any state agency or other governmental unit that employs persons covered under statutes listed in subdivision 2.

(e) "Record" means:

(1) the petition and the documentation that the petitioner submits with a petition;

(2) the executive director's answer to the petition and the documentation submitted with it; and

(3) the documentation that the board allows to be submitted in connection with the hearing on the petition if submitted in a timely fashion.

*Subd. 2. [NOTICE OF TERMINATION OR DENIAL.] If the executive director terminates a benefit, reduces a benefit, or denies an application or a written request of any person claiming a right under chapter 352, other than sections 352.96 and 352.97; chapters 3A, 352B, 352C, and 352D; sections 490.121 to 490.133; or the applicable sections of chapters 355 and 356, the executive director must serve upon that person a written notice. The notice must contain:*

(1) the reasons for the termination, reduction, or denial;

(2) notification that the person may petition the board for a review of the termination, reduction, or denial and that the petition for review must be filed within 60 days of the receipt of the written notice;

(3) a statement that failure to petition the board within 60 days will preclude the person from contesting, in any other court procedure or administrative hearing, the issues determined by the executive director; and

(4) a copy of this section.

*Subd. 3. [PETITION FOR REVIEW.] A person who claims a right under the statutory provisions listed in subdivision 2 and regarding whom a benefit has been terminated or reduced or an application or written request has been denied may petition for a review of that decision by the board. A petition under this section must be served upon the executive director personally, or by mail postmarked no later than 60 days after the petitioner received the notice required by subdivision 2. The petition must include the sworn, notarized statement of the reasons the petitioner believes the decision of the executive director should be reversed or modified and may include relevant documentation.*

*Subd. 4. [ANSWER; RECORD FOR HEARING.] Within a reasonable time after receiving a petition, the executive director must serve the petitioner with an answer to the petition with all relevant documentation and with notice of the time and place of the regular or special board meeting at which the board will consider the petition. The documentation need not duplicate the documentation submitted by the petitioner. Not later than ten days before the board meeting at which the petition will be heard and at the time that the petition is considered by the board, the executive director must, personally or by mail, deliver a copy of the relevant documentation to each board member. Each board member who participates in the decision on the petition must be familiar with the entire contents of the relevant documentation.*

*Subd. 5. [HEARING.] The board shall hold a hearing on a petition for*

*review in a timely fashion. The board must make its decision on a petition solely on the relevant documentation as submitted and the proceedings of the hearing. At the hearing, the petitioner, the petitioner's attorney, and the executive director may state and discuss with the board their positions with respect to the petition. The board may allow further documentation to be placed in the record at or subsequent to the board meeting at which the petition is considered. If the board allows additional documentation into the record at or subsequent to the board meeting, it may make a final determination on the petition at that board meeting only upon the agreement of both the petitioner and the executive director.*

**Subd. 6. [TERMINATION OF BENEFITS.]** *If the executive director proposes to terminate a benefit that is being paid to any person, before terminating the benefit, the executive director must, in addition to the other procedures prescribed herein, give the person written or oral notice of the proposed termination. The notice must explain the reason for the proposed termination. The person must be given an opportunity verbally or in writing to explain why the benefit should not be terminated. If the executive director is unable to contact the person and the executive director determines that a failure to terminate the benefit might result in unauthorized payment by the association, the executive director may terminate the benefit with only a written notice containing the information required by subdivision 2, mailed to the address to which the benefit was last sent and, if that address is a financial institution, to the last known address of the person.*

**Subd. 7. [MEDICAL ADVISOR ACTION.]** *If a person petitions the board to reverse or modify a determination by the executive director finding that the petitioner, for medical reasons, does not or has ceased to qualify for a disability benefit, the board may resubmit the matter to the medical advisor for reconsideration, with or without instructions to obtain further medical examinations. The board may make a determination contrary to the recommendation of the medical advisor only if there is expert medical evidence in the record to support its contrary decision. If there is no medical opinion contrary to the opinion of the medical advisor in the record and the medical advisor asserts that the decision was made in accordance with the disability standard in section 352.01, subdivision 17; 352B.10; or 490.121, subdivision 13, whichever applies, the board must follow the determination of the medical advisor. The board may make a determination different from the recommendation of the medical advisor on issues that do not involve a medical opinion.*

**Subd. 8. [BOARD FINDINGS.]** *After the board has made a decision on a petition, the executive director must prepare findings of fact, the board's reasons for its conclusions, and the board's final order for the signature of the chair or other board member as the board, by resolution, may designate. The executive director shall serve the findings, conclusions, and order on the petitioner by certified mail.*

**Subd. 9. [APPEALS.]** *Within 30 days of receipt of the findings, conclusions, and final order, the petitioner may appeal the board's decision by writ or certiorari to the court of appeals. Failure to appeal to that court within the 30 days precludes the petitioner from later raising, in any court procedure or administrative hearing, those substantive and procedural issues that reasonably should have been raised upon appeal.*

**Subd. 10. [REFERRAL FOR ADMINISTRATIVE HEARING.]** *Notwithstanding sections 14.03; 14.06; and 14.57 to 14.69, a challenge to a*

*determination of the executive director must be conducted exclusively under the procedures in this section. The board in its sole discretion may refer a petition brought under this section to the office of administrative hearings for a contested case hearing under sections 14.57 to 14.69.*

Sec. 6. Minnesota Statutes 1988, section 352.116, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITIES.] The board shall establish an optional retirement annuity in the form of a joint and survivor annuity. The board may also establish an optional annuity in the form of an annuity payable for a period certain and for life thereafter or establish an optional annuity which takes the form of a joint and survivor annuity providing that, if after the joint and survivor annuity becomes payable, the person with the designated remainder interest in the annuity dies before the former member, the annuity amount must be reinstated to a normal single life annuity amount as of the first day of the month after the day the person dies. In addition, the board may also establish an optional annuity that takes the form of an annuity calculated on the basis of the age of the retired employee at retirement and payable for the period before the retired employee becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivision 2 on the basis of the age of the retired employee at retirement but equal so far as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the retired employee becomes eligible for social security old age retirement benefits and payable for the period after the retired employee 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. The social security leveling option may be calculated based on broad average social security old age retirement benefits. For each year that the retiring employee is under age 62, up to five percent of the total single life annuity required reserves may be used to accelerate the optional retirement annuity. This greater amount shall be paid until the end of the month in which the retired employee reaches age 62, at which time the annuity shall be reduced. The optional forms must be actuarially equivalent to the normal single life annuity forms provided in sections 352.115 and 352.116, whichever applies.

Sec. 7. Minnesota Statutes 1988, section 352.22, subdivision 1, is amended to read:

Subdivision 1. [SERVICE TERMINATION.] Any employee who ceases to be a state employee by reason of termination of state service or layoff is entitled to a refund provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refund may be made 30 or more days after the termination of state service or layoff if the applicant has not again become a state employee required to be covered by the system.

Sec. 8. Minnesota Statutes 1988, section 352.22, subdivision 2a, is amended to read:

Subd. 2a. [AMOUNT OF CERTAIN REFUND REPAYMENTS PROHIBITED.] For any employee who is entitled to a refund under subdivision 1 and who, before July 1, 1978, was a member of the metropolitan transit commission transit operating division employees retirement fund, the refund for contributions made before July 1, 1978, must equal the following amounts:

(a) For any employee contributions made before January 1, 1950, the amount equal to one-half of the employee contributions without interest;

(b) For any employee contributions made after December 31, 1949, but before January 1, 1975, the amount of the employee contributions plus simple interest at the rate of two percent per year; and

(c) For any employee contributions made after December 31, 1974, but before July 1, 1978, the amount of the employee contributions plus simple interest at the rate of 3-1/2 percent per year. The refund of contributions made on or after July 1, 1978, must be determined under subdivision 2. Interest must be computed to the first day of the month in which the refund is processed and must be based on fiscal year balances. No refunds of contributions made to the metropolitan transit commission-transit operating division employees retirement fund received before July 1, 1978, or for service rendered before July 1, 1978, may be repaid.

Sec. 9. [352.231] [QUALIFIED ROLLOVERS.]

*Repayment of a refund and interest on that refund may be made with funds distributed from a plan qualified under the Internal Revenue Code of 1986, as amended through December 31, 1988, section 401(a), or an annuity qualified under the Internal Revenue Code, section 403(a). Repayment may also be made with funds distributed from an individual retirement account used solely to receive a nontaxable rollover from that type of a plan or annuity. The repaid refund must be separately accounted for as coordinated member contributions not previously taxed. Before accepting any transfers to which this subdivision applies, the executive secretary may require the coordinated member to demonstrate that the amounts to be transferred are eligible for a tax-free rollover and qualify for that treatment under the Internal Revenue Code.*

Sec. 10. Minnesota Statutes 1988, section 352.93, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS; DURATION AND AMOUNT.] The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and must be paid for an additional 84 full calendar months or to the first of the month following the month in which the employee becomes age 65, whichever occurs first, except that payment must not cease before the first of the month following the month in which the employee becomes 62. It must then be reduced to the amount as calculated under section 352.115, except that if this amount, when added to the social security benefit based on state service the employee is eligible to receive at the time, is less than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to the social security benefit will equal the amount payable under subdivision 2.

When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan or the unclassified employees retirement program between the ages of 58 and 65 shall receive a partial return of correctional contributions at retirement with five percent interest based on the following formula:

Employee contributions contributed as a	Years and complete months of regular
--	---

correctional employee		service between
in excess of the		ages 58 and 65
contributions the	X	.....
employee would have		7
contributed as a		
regular employee		

Sec. 11. Minnesota Statutes 1988, section 352B.08, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITY FORMS.] In lieu of the single life annuity provided in subdivision 2, the member or former member with ~~ten~~ *five* years or more of service may elect an optional annuity form. The board of the Minnesota state retirement system shall establish a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of the single life annuity. The board shall also establish an additional optional annuity with an actuarial equivalent value of the single life annuity in the form of a joint and survivor annuity which provides that the elected annuity be reinstated to the single life annuity provided in subdivision 2, if after commencing the elected joint and survivor annuity, the designated beneficiary dies before the member, which reinstatement is not retroactive but takes effect for the first full month occurring after the death of the designated beneficiary. The board may also establish other actuarial equivalent value optional annuity forms. In establishing actuarial equivalent value optional annuity forms, each optional annuity form shall have the same present value as a regular single life annuity using the mortality table adopted by the board and the interest assumption specified in section 356.215, subdivision 4d, and the board shall obtain the written recommendation of the commission-retained actuary. These recommendations shall be a part of the permanent records of the board.

Sec. 12. Minnesota Statutes 1988, section 352B.10, subdivision 5, is amended to read:

Subd. 5. [OPTIONAL ANNUITY.] A disabled member ~~not eligible for~~ *may, in lieu of* survivorship coverage under section 352B.11, subdivision 2, ~~may~~ choose the normal disability benefit or an optional annuity as provided in section 352B.08, subdivision 2. The choice of an optional annuity must be made before commencement of payment of the disability benefit. It is effective ~~30 days after receipt of this choice or~~ *on* the date on which the disability benefit begins to accrue, ~~whichever is later. Upon becoming effective, the optional annuity begins to accrue on the date provided for the disability benefit.~~

Sec. 13. Minnesota Statutes 1988, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] If a member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, subdivision 1, or a former member receiving a disability benefit as provided by section 352B.10, subdivision 3 2, dies from any cause, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least five years of allowable service ~~or a former member with at least 20 years of allowable service~~ is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member became or

would have become 55.

(b) The surviving spouse of a member who had credit for less than five years of service shall receive, for life, a monthly annuity equal to 20 percent of that part of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least five years service and who died after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for five years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (b) until the deceased member would have reached the age of 55 years, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries before the deceased member's 55th birthdate, benefits or annuities shall cease as of the date of remarriage. Remarriage after the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over 18 and under 22 years of age also may receive the monthly benefit provided in this section, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full-time attendance during any part of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child must be made to the surviving spouse, or if there is none, to the legal guardian of the child. The maximum monthly benefit must not exceed 40 percent of the average monthly salary for any number of children.

(f) If the member dies under circumstances that entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, the workers' compensation benefits received by them must not be deducted from the benefits payable under this section.

(g) The surviving spouse of a deceased former member who had credit for five or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 3 2, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have reached the age of 55 years, if the surviving spouse has not remarried before that date. If a former member dies who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs are entitled to a refund of the accumulated deductions left in the fund plus interest at the rate of five percent per year compounded annually.

Sec. 14. Minnesota Statutes 1988, section 352D.06, subdivision 1, is amended to read:

Subdivision 1. When a participant attains at least age ~~58~~ 55, is retired from covered service, and applies for a retirement annuity, the cash value of the participant's shares shall be transferred to the Minnesota postretirement investment fund and used to provide an annuity for the retired employee based upon the participant's age when the benefit begins to accrue according to the reserve basis used by the state employees retirement fund in determining pensions and reserves.

Sec. 15. Minnesota Statutes 1988, section 352D.075, subdivision 2, is amended to read:

Subd. 2. If a participant dies leaving a spouse and there is no named beneficiary who survives to receive payment or the spouse is named beneficiary, the spouse may receive:

(1) The value of the participant's total shares;

(2) The value of one-half of the total shares and beginning at age ~~58~~ 55 or thereafter receive an annuity based on the value of one-half of the total shares, provided that if the spouse dies before receiving any annuity payments the value of said shares shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse; or

(3) Beginning at age ~~58~~ 55 or thereafter receive an annuity based on the value of the total shares, provided that if the spouse dies before receiving any annuity payments the value of said shares shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse; and further provided, if said spouse dies after receiving annuity payments but before receiving payments equal to the value of the employee shares, the value of the employee shares remaining shall be paid to the spouse's children in equal shares, but if no such children survive then to the parents of the spouse in equal shares, but if no such children or parents survive, then to the estate of the spouse.

Sec. 16. [DEADLINE EXTENSION IN CERTAIN INSTANCES.]

*Notwithstanding any provision of Minnesota Statutes, section 352D.12, to the contrary, a participant on the effective date of this section may transfer prior service contributions or repay any refund under that section by September 30, 1989, or within one year of the person's participation, whichever is later.*

Sec. 17. [REPEALER.]

*Minnesota Statutes 1988, sections 352.03, subdivision 13; and 352.73, subdivision 3, are repealed.*

Sec. 18. [EFFECTIVE DATE.]

*Sections 1 to 15 and 17 are effective July 1, 1989. Section 16 is effective the day following final enactment.*

## ARTICLE 2 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 1988, section 353.01, subdivision 2a, is amended to read:



Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (1) elected or appointed officers and employees of elected officers;
- (2) district court reporters;
- (3) officers and employees of the public employees retirement association;
- (4) employees of the league of Minnesota cities;
- (5) *employees of the association of metropolitan municipalities;*
- (6) officers and employees of public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions;
- ~~(6)~~ (7) employees of a school district who receive separate salaries for driving their own buses;
- ~~(7)~~ (8) employees of the association of Minnesota counties;
- ~~(8)~~ (9) employees of the metropolitan intercounty association;
- ~~(9)~~ (10) employees of the Minnesota municipal utilities association;
- ~~(10)~~ (11) *employees of the Minnesota association of townships when the board of the association, at its option, certifies to the executive director that its employees are to be included for purposes of retirement coverage, in which case coverage of all employees of the association is permanent;*
- (12) employees of the metropolitan airports commission if employment initially commenced after June 30, 1979;
- ~~(11)~~ (13) employees of the Minneapolis employees retirement fund; if employment initially commenced after June 30, 1979;
- ~~(12)~~ (14) employees of the range association of municipalities and schools;
- ~~(13)~~ (15) employees of the soil and water conservation districts;
- ~~(14)~~ (16) employees of a county historical society who are county employees;
- ~~(15)~~ (17) 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)~~ (18) employees of an economic development authority created under sections 458C.01 to 458C.23;
- ~~(17)~~ (19) employees of the department of military affairs of the state of Minnesota who are full-time firefighters;
- (20) *employees who became members before July 1, 1988, based on the total salary of positions held in more than one governmental subdivision.*

Sec. 2. Minnesota Statutes 1988, 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":

(1) persons *who are* employed for professional services where the service is incidental to regular professional duties, determined on the basis that compensation for the service amounts to no more than 25 percent of the person's total annual gross earnings for all professional duties;

(2) election officers;

(3) independent contractors and their employees;

(4) patient and inmate ~~help~~ *personnel who perform services in governmental subdivision* charitable, penal, ~~and~~ *or* correctional institutions of a governmental subdivision;

(5) members of boards, commissions, bands, and others who serve ~~the~~ a governmental subdivision intermittently;

(6) employees whose employment is not expected to continue for a period longer than six consecutive months; *unless it involves employment for a probationary period that is part of a permanent position. Immediately following the expiration of a six-month period of employment, if the employee continues in public service and earns more than \$425 from one governmental subdivision in any one calendar month, the department head shall report the employee for membership and require employee deductions to be made on behalf of the employee in accordance with section 353.27, subdivision 4. Membership eligibility of an employee who holds concurrent temporary employment of six months or less and part-time positions in one governmental subdivision must be determined by the salary of each position. Membership eligibility of an employee who holds nontemporary positions in one governmental subdivision must be determined by the total salary of all positions;*

(7) part-time employees who receive monthly compensation from a *one* governmental subdivision not exceeding \$425, and part-time employees and elected officials whose annual compensation from a *one* governmental subdivision is stipulated in advance, in writing, to be not more than \$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 \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members continue their membership until termination of public service; *Membership eligibility of an employee who holds concurrent part-time positions under this clause must be determined by the total salary of all such positions in one governmental subdivision. If compensation from one governmental subdivision to an employee under this paragraph exceeds \$5,100 per calendar year or school year after being stipulated in advance not to exceed that amount, 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's earnings first exceeded \$425;*

(8) persons who first occupy an elected office after July 1, 1988, the compensation for which does not exceed \$425 per month;

(9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster;

(10) employees who by virtue of their employment ~~as an officer or employee of a~~ *in one* 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 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 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; Minnesota state retirement system, the teachers retirement association, the Duluth teachers retirement fund association, the Minneapolis teachers retirement association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees police and fire fund, or any police or firefighters relief association that has consolidated with the public employees retirement association but whose members have not elected coverage by the public employees police and fire fund as provided in sections 353A.01 to 353A.10. This clause must not be construed to prevent a person from being a member of and contributing to the public employees retirement association and also belonging to and 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 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 by a teacher as defined in section 354.05, subdivision 2;

(11) police matrons who are employed in a police department of a city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;

(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;

(13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are not employed full time by a governmental subdivision;

(14) resident physicians, medical interns, and pharmacist residents and interns who are serving in a degree or residency program in public hospitals and students who are serving in an internship or residency program sponsored by an accredited educational institution;

(15) appointed or elected officers, who are paid entirely on a fee basis, and who were not members on June 30, 1971;

(16) persons holding who hold a part-time adult supplementary technical institute license who render part-time teaching service in a technical institute if the service is incidental to the person's regular nonteaching occupation; the applicable technical institute stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year, and the part-time teaching service actually does not exceed 300 hours in

a fiscal year; and

(17) persons exempt from licensure under section 125.031-; and

(18) *volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the public employees retirement association and participants in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel.*

(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 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. 3. Minnesota Statutes 1988, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] "Salary" means the periodical compensation of a public employee, before deductions for deferred compensation, 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 are not considered a salary. Lump sum annual or lump sum sick leave payments, 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, are not deemed to be salary. Before the time that all sick leave has been used, amounts paid to an employee under a disability insurance policy or program where the employer paid the premiums are considered salary, and, after all sick leave has been used, the payment is not considered salary. Workers' compensation payments are not considered salary. *Compensation of any kind paid to volunteer ambulance service personnel, as defined in subdivision 35, is not considered salary.* For a public employee who has

prior service covered by a local police or firefighters relief association 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, "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 by law and by bylaw provisions governing the relief association 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 1988, section 353.01, is amended by adding a subdivision to read:

*Subd. 11a. [TERMINATION OF PUBLIC SERVICE.] An officer or employee who terminates employment but within 30 days returns to employment in the same governmental subdivision or begins employment in another position otherwise excluded from membership 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 the amount earned does not exceed the dollar limitations in subdivision 2b, clause (7).*

Sec. 5. Minnesota Statutes 1988, section 353.01, is amended by adding a subdivision to read:

*Subd. 35. [VOLUNTEER AMBULANCE SERVICE PERSONNEL.] Volunteer ambulance service personnel for purposes of this chapter are basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity.*

Sec. 6. Minnesota Statutes 1988, 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 60 days or less, the head of the department shall deduct from the employee's next salary payment and remit to the executive director the amount of the employee contribution delinquency, with the department head shall immediately, upon discovery, report the employee for membership and require employee deductions to be made in accordance with subdivision 4. Omitted employee deductions due for the 60-day period preceding enrollment must be deducted from the employee's next salary payment and remitted to the association. The employer shall pay any remaining omitted employee deductions past due and any omitted employer contributions, plus cumulative interest at the rate of six percent a year, compounded annually, from the date or dates each delinquent omitted employee contribution was first payable. The interest must be paid by the employer. Omitted required deductions past due for a period in excess of 60 days are the sole obligation of the governmental subdivision from the time the deductions were first payable, together with interest as 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 at the rate of six percent compounded annually from the date they were first payable, from the employer must be paid from the proceeds of a tax levy made under section 353.28 or from other funds available to the employer. Unless otherwise indicated, An employer~~*

*shall not hold an employee liable for omitted employee deductions due for more than the 60-day period preceding enrollment nor attempt to recover from the employee those employee deductions paid by the employer. Neither an employer nor an employee is responsible to pay omitted employee deductions when an employee terminates public service before making payment of omitted employee deductions to the association, but the employer remains liable to pay omitted employer contributions plus interest at the rate of six percent compounded annually from the date the contributions were first payable. This subdivision has both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due under it. ~~No action for the recovery of omitted employee and employer contributions or interest on contributions may be commenced and no payment of omitted contributions may be made or accepted unless the association has already commenced action for recovery of omitted contributions.~~ The association may not commence action for the recovery of omitted employee deductions and employer contributions after the expiration of three calendar years after the calendar year in which the contributions and deductions were omitted. No payment may be made or accepted unless the association has already commenced action for recovery of omitted deductions. An action for the recovery of ~~omitted contributions or interest~~ commences ~~five calendar days after~~ on the date of the mailing of any written correspondence from the association requesting information from the governmental ~~unit that may lead to a recovery of omitted contributions~~ subdivision upon which to determine whether omitted deductions occurred.*

Sec. 7. Minnesota Statutes 1988, section 353.28, subdivision 5, is amended to read:

Subd. 5. [INTEREST ON PAST DUE AMOUNTS.] Any amount which becomes due and payable pursuant to this section or section 353.27, subdivision 4, shall bear compound interest at the rate of six percent per year from the date due for the next five calendar days, and compound interest at the rate of ten percent per year for amounts past due in excess of five calendar days until the date payment is actually received in the office of the association, with a minimum charge of \$10. *Interest for past due payments of excess police state aid under section 69.031, subdivision 5, must be charged at a rate of six percent compounded annually.*

Sec. 8. Minnesota Statutes 1988, section 353.28, subdivision 6, is amended to read:

Subd. 6. [COLLECTION PROCEDURES FOR AMOUNTS DUE.] If the governmental subdivision fails to pay amounts due under this chapter *or fails to make payments of excess police state aid to the public employees police and fire fund under section 69.031, subdivision 5*, the executive director shall certify those amounts to the governmental subdivision for payment. If the governmental subdivision fails to remit the sum so due in a timely fashion, the executive director shall certify amounts to the county auditor for collection. The county auditor shall collect such amounts out of the revenue of the governmental subdivision, or shall add them to the levy of the governmental subdivision and make payment directly to the association. This tax shall be levied, collected and apportioned in the manner other taxes are levied, collected and apportioned.

Sec. 9. Minnesota Statutes 1988, section 353.29, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FOR ANNUITY.] Application for a retirement annuity may be made by a member or by a person authorized to act on behalf of the member. Every application for retirement shall be made in writing on a form prescribed by the executive director and shall be substantiated in writing by written proof of the member's age of the member and identity. *No application for a retirement annuity may be considered complete until all necessary supporting documents are received by the executive director.*

Sec. 10. Minnesota Statutes 1988, section 353.29, subdivision 7, is amended to read:

Subd. 7. [ANNUITIES; ACCRUAL.] Except as to elected public officials, all retirement annuities granted under the provisions of this chapter shall commence with the first day of the first calendar month next succeeding the date of termination of public service and shall be paid in equal monthly installments, but no payment shall accrue beyond the end of the month, in which entitlement to such annuity has terminated. If the annuitant dies prior to negotiating the check for the month in which death occurs, payment will be made to the surviving spouse or if none to the designated beneficiary or if none to the estate. Any annuity granted to an elective public official shall accrue on the day following expiration of the public office held or right thereto, and the annuity for that month shall be prorated accordingly. No annuity, once granted, shall be increased, decreased, or revoked except as provided in this chapter. No annuity payment shall be made retroactive for more than three months prior to that month in which ~~application therefor shall be filed with the association~~ *a complete application is received by the executive director as provided in subdivision 4.*

Sec. 11. Minnesota Statutes 1988, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any member who becomes totally and permanently disabled before age 65 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 member whose average salary is less than \$75 per month shall not be entitled to a disability benefit. No repayment of a refund otherwise authorized pursuant to section 353.34 and A repayment of a refund may be made before the effective date of disability benefits under subdivision 2. No purchase of prior service or payment made in lieu of salary deductions otherwise authorized pursuant to 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 this section is filed.~~

Sec. 12. Minnesota Statutes 1988, section 353.33, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS; ACCRUAL OF BENEFITS.] Every claim or demand for a total and permanent disability benefit ~~shall~~ *must* be initiated by written application in the manner and form prescribed by the executive director; ~~filed in the office of the retirement association;~~ showing compliance with the statutory conditions qualifying the applicant for a total and permanent disability benefit *and filed with the executive director.* A member or former member who became totally and permanently disabled

during a period of membership may file application for total and permanent disability benefits within three years next following termination of public service, but not thereafter. This benefit shall begin to accrue the day following the commencement of disability, 90 days preceding the filing of the application, or, if annual or sick leave is paid for more than the said 90 day period, from the date salary ceased whichever is later. No payment shall accrue beyond the end of the month in which entitlement has terminated. If the disabilitant dies prior to negotiating the check for the month in which death occurs, payment will be made to the surviving spouse, or if none, to the designated beneficiary, or if none, to the estate. *An applicant for total and permanent disability benefits may file a retirement annuity application under section 353.29, subdivision 4, simultaneously with an application for total and permanent disability benefits. The retirement annuity application is void upon the determination of the entitlement for disability benefits by the executive director. If disability benefits are denied, the retirement annuity application must be initiated and processed.*

Sec. 13. Minnesota Statutes 1988, section 353.33, subdivision 5, is amended to read:

Subd. 5. [BENEFITS PAID UNDER WORKERS' COMPENSATION LAW.] Disability benefits paid shall be ~~reimbursed and future benefits shall be reduced by~~ *coordinated with* any amounts received or receivable, ~~including under workers' compensation law, such as temporary total, permanent total, temporary partial or, permanent partial, or economic recovery compensation~~ benefits, in either periodic or lump sum payments from the employer under applicable workers' compensation laws, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disabilitant. If the total of the single life annuity actuarial equivalent disability benefit and the workers' compensation benefit exceeds: (1) the salary the disabled member received as of the date of the disability or (2) the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater, the disability benefit must be reduced to that amount which, when added to the workers' compensation benefits, does not exceed the greater of the salaries described in clauses (1) and (2).

Sec. 14. Minnesota Statutes 1988, section 353.33, subdivision 6, is amended to read:

Subd. 6. [CONTINUING ELIGIBILITY FOR BENEFITS.] The eligibility for continuation of disability benefits shall be determined by the association, which has authority to require periodic examinations and evaluations of disabled members as frequently as deemed necessary. *Disability benefits are contingent upon a disabled person's participation in a vocational rehabilitation program if the executive director determines that the disabled person may be able to return to a gainful occupation.* If a member is found to be no longer totally and permanently disabled and is reinstated to the payroll, payments shall be made for no more than 60 days.

Sec. 15. Minnesota Statutes 1988, section 353.33, subdivision 7, is amended to read:

Subd. 7. [PARTIAL REEMPLOYMENT.] *If, following a work or non-work-related injury or illness, a disabled person 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 that, when added to the earnings *and workers' compensation benefit*, 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 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 may be taken from the salary of a disabled person who is receiving a disability benefit as provided in this subdivision.

Sec. 16. Minnesota Statutes 1988, section 353.34, subdivision 1, is amended to read:

Subdivision 1. [REFUND OR DEFERRED ANNUITY.] Any member who ceases to be a public employee by reason of termination of public service, or who is on a continuous layoff for more than 120 calendar days, shall be entitled to a refund of accumulated deductions as provided in subdivision 2, or to a deferred annuity as provided in subdivision 3. *An active member of a fund enumerated in section 356.30, subdivision 3, clause (7), (8), or (14), who terminates public service in that fund and becomes a member of another fund enumerated in that subdivision may receive a refund of employee contributions from the applicable funds plus five percent interest compounded annually from the fund in which the member terminated service.* Application for a refund may not be made prior to date of termination of public service, or the expiration of 120 days of layoff, and a refund shall be paid within 120 days following receipt of application, provided applicant has not again become a public employee required to be covered by the association.

Sec. 17. Minnesota Statutes 1988, section 353.35, is amended to read:

353.35 [CONSEQUENCES OF REFUND; REPAYMENT, RIGHTS RESTORED.]

When any former member accepts a refund, all existing service credits and all rights and benefits to which the person was entitled prior to the acceptance of ~~such~~ the refund shall terminate and shall not again be restored until the person acquires not less than 18 months allowable service credit ~~subsequent to~~ *after* taking the last refund and repays all refunds taken and interest received under section 353.34, subdivisions 1 and 2, plus interest at six percent per annum compounded annually. If more than one refund has been taken, ~~all refunds must be repaid by the person~~ *may repay all refunds or only the refund for the fund in which the person had most recently been a member*, with interest at six percent per annum compounded annually. All refunds must be repaid within three months of the last date of termination of public service.

Sec. 18. [353.351] [QUALIFIED ROLLOVERS.]

*Repayment of a refund and interest on that refund may be made with funds distributed from a plan qualified under the Internal Revenue Code of 1986, as amended through December 31, 1988, section 401(a), or an annuity qualified under the Internal Revenue Code, section 403(a). Repayment may also be made with funds distributed from an individual retirement account used solely to receive a nontaxable rollover from that type of a plan or annuity. The repaid refund must be separately accounted for as coordinated member contributions not previously taxed. Before accepting any transfers to which this subdivision applies, the executive secretary may*

*require the coordinated member to demonstrate that the amounts to be transferred are eligible for a tax-free rollover and qualify for that treatment under the Internal Revenue Code.*

Sec. 19. Minnesota Statutes 1988, section 353.64, subdivision 2, is amended to read:

Subd. 2. [DECLARATION OF POLICE OFFICER POSITION.] Before a governing body may declare a position to be that of a police officer, the duties of the person so employed ~~shall~~ *must*, as a minimum, include ~~services~~ *employment as an officer of a designated police department or sheriff's office or person in charge of a designated police department or sheriff's office whose primary job it is to enforce the law, who is licensed by the Minnesota board of peace officer standards and training under sections 626.84 to 626.855, who is engaged in the hazards of protecting the safety and property of others, and who has the power to arrest by warrant. A police officer who is periodically assigned to employment duties not within the scope of this subdivision may contribute to the public employees police and fire fund for all service, if a resolution declaring that the primary position held by the person is that of a police officer, is adopted by the governing body of the department and is promptly submitted to the executive director.*

Sec. 20. Minnesota Statutes 1988, section 353.64, subdivision 3, is amended to read:

Subd. 3. [DECLARATION OF FIREFIGHTER POSITION.] Before a governing body may declare a position to be that of a firefighter, the duties of the person so employed ~~shall~~ *must*, as a minimum, include services as an employee of a designated fire company or person in charge of a designated fire company or companies who is engaged in the hazards of fire fighting. *A firefighter who is periodically assigned to employment duties outside the scope of firefighting may contribute to the public employees police and fire fund for all service, if a resolution declaring that the primary position held by the person is that of a firefighter, is adopted by the governing body of the company or companies and is promptly submitted to the executive director.*

Sec. 21. Minnesota Statutes 1988, section 353.656, subdivision 4, is amended to read:

Subd. 4. [REDUCTION OF DISABILITY BENEFITS IN CERTAIN INSTANCES.] No member shall receive any disability benefit payment when there remains to the member's credit unused annual leave or sick leave or under any other circumstances; when, during the period of disability, there has been no impairment of salary ~~and~~. Should ~~such~~ *the* member resume a gainful occupation with earnings less than the salary earned at the date of disability or the salary currently paid for similar positions, the association shall continue the disability benefit in an amount which when added to ~~such~~ *workers' compensation benefits and actual earnings* does not exceed the salary earned at the date of disability or the salary currently paid for similar positions, whichever is higher; ~~provided~~. *In no event may the disability benefit in such case does not exceed the disability benefit originally allowed. In the event that the total amount is higher, the executive director shall reduce the disability benefit by the amount of the excess.*

Sec. 22. [REPEALER.]

*Minnesota Statutes 1988, sections 353.01, subdivision 2c; 353.661; and 353.662, are repealed.*

Sec. 23. [EFFECTIVE DATE.]

*(a) Sections 1; 2, other than clause (18); 4; and 6 to 22 are effective July 1, 1989.*

*(b) The past due excess police state aid interest charge provided for in section 7 is retroactive to July 1, 1989.*

*(c) Sections 2, clause (18); 3; and 5 are effective retroactively to July 1, 1988.*

ARTICLE 3  
TEACHERS RETIREMENT  
ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 1988, section 136.81, subdivision 1, is amended to read:

Subdivision 1. [SUPPLEMENTAL PLAN CONTRIBUTION AMOUNTS.] There shall be deducted from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the portion of the person's annual salary paid between \$6,000 and \$15,000. The deduction is to be made in the same manner as other retirement deductions are made from the salary of the person only after the first \$6,000 has been paid in a fiscal year. The ~~state employer~~ shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person. The moneys so deducted and the ~~state employer~~ contribution shall be deposited to the credit of the state university and community college supplemental retirement plan account of the teachers retirement fund. The account is hereby established and shall be separate and distinct from other funds, accounts, or assets of the teachers retirement fund. ~~The money required to meet the obligation of the state as provided in this subdivision shall be contributed to the executive director of the teachers retirement association by the state~~ *Two percent of the amount of the salary deductions and employer contributions must be credited to the administrative expense reserve account of the supplemental retirement plan and must be used for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65.*

Any deductions which are taken from the salary of a person for the supplemental retirement plan in error shall upon discovery and verification be refunded to the person. *Any related employer contributions must be refunded to the employer.* ~~The retirement board executive director~~ shall establish a reserve which ~~shall~~ *must* reflect any gains or losses realized due to the purchase and redemption of shares representing salary deductions and ~~state employer~~ contributions which were made in error. The balance of the reserve ~~shall~~ *remaining after the refund of contributions made in error must be credited annually to the cancellation reserve established pursuant to section 136.82, subdivision 1, clause (5) administrative expense reserve account.*

If any ~~payroll~~ salary deductions which are required ~~pursuant to~~ *under* this section are omitted, the *amount of the omitted salary deductions shall* may be remitted by the person to the supplemental retirement plan investment account of the teachers retirement association within ~~one year from the end of the fiscal year in which the deductions were due, and at the~~

*time of the receipt of 90 days following the association's written notification to the person of the omission, but not thereafter. If the omitted salary deductions are received from the person, the required state employer contribution shall then must be made paid by the employer within 30 days after the association's written notification to the employer of the amount due.*

Sec. 2. Minnesota Statutes 1988, 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:

(b) The executive director shall redeem shares under this subdivision when requested to do so in writing on forms provided by the executive director by a person having shares to the credit of the employee's share account record if the person is age 55 or older and is no longer employed by the state university board or state board for community colleges. In such case the person 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, at their sole discretion, permit greater withdrawals in any one year.

(c) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, 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. If the executive director finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person 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, at their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person owes no restitution to the state or a fund established by its laws for a redemption under this paragraph.

(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, when requested to do so in writing, on forms provided by the executive director, by the surviving spouse. The surviving spouse 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, at their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse 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 must be redeemed by the executive director and the cash realized from the redemption must be distributed to the estate of the surviving spouse.

(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, the executive director shall redeem all shares to the credit of the employee's share account record and pay the cash realized from the redemption to the estate of the deceased person.

(f) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, 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 (b) to (e). In that case, *the applicable person is entitled, upon application, to receive one-half of the cash realized on the redemption of shares must be received by the person and one-half becomes the property must be credited to the administrative expense reserve account of the supplemental retirement plan account of the teachers retirement fund for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65. Annually on July 1 the cancellations of the previous 12 months must be prorated among the employees share accounts in proportion to the value that each account bears to the total value of all share accounts.*

Sec. 3. Minnesota Statutes 1988, section 136.82, subdivision 2, is amended to read:

Subd. 2. [REDEMPTION OF SHARES AS AN ANNUITY.] A person who has shares to the credit of the employee's share account record, who is 55 years of age or older and who is no longer employed by the state university board or the state board for community colleges or who is totally and permanently disabled pursuant to subdivision 1, paragraph (2) (c), or who has the status of a surviving spouse of a person who has shares to the credit of the employee's share account pursuant to subdivision 1, paragraph (3) (d), may redeem all or part of the shares to purchase an annuity by depositing the cash realized upon redemption with the executive director of the teachers retirement fund and receive in exchange an annuity for life or an optional annuity as hereinafter provided. The election to purchase an annuity may be made only once by any individual. If an election is made before the date on which the person is entitled to request redemption, the redemption shall not be made prior to the date upon which the person would be entitled to make the request. The annuity purchase rates shall be based on the annuity table of mortality adopted by the board of trustees of the teachers retirement fund for the fund as provided in section 354.07,

subdivision 1, using the interest assumption specified in section 356.215, subdivision 4d. The amount of the annuity for life shall be that amount which has a present value equal to the cash realized on the redemption of the shares as of the first day of the month next following the date of the election to purchase an annuity. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares is payable to the designated beneficiary. The optional forms of annuity shall be actuarially equivalent to the single life annuity as defined in section 354.05, subdivision 7. In establishing these optional forms, the board of trustees shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement, and these recommendations shall be a part of the permanent records of the board of trustees.

Sec. 4. Minnesota Statutes 1988, section 354.05, subdivision 35, is amended to read:

Subd. 35. [SALARY.] (a) "Salary" means the compensation ~~paid to a teacher excluding~~, upon which member contributions are required and made, that is paid to a teacher before any allowable reductions permitted under the Internal Revenue Code, as amended, for employee selected fringe benefits, tax sheltered annuities, deferred compensation, or any combination of these items.

(b) "Salary" does not mean:

(1) lump sum annual ~~or~~ leave payments;

(2) lump sum sick leave payments ~~and all~~;

(3) payments in lieu of any employer paid group insurance coverage, including the difference between single and family premium rates, that may be paid to a member with single coverage; ~~"Salary" does not mean;~~

(4) any form of payment made in lieu of any other employer paid fringe benefit or expense; ~~or~~;

(5) any form of severance payments;

(6) workers' compensation payments; or

(7) disability insurance payments including self-insured disability payments.

Subd. 35a. [SEVERANCE PAYMENTS.] Severance payments include, but are not limited to:

~~(a)~~ (1) payments to an employee to terminate employment;

~~(b)~~ (2) payments, or that portion of payments, that are not clearly for the performance of services by the employee to the employer; ~~and~~

~~(c)~~ (3) payments to an administrator or former administrator serving as an advisor to a successor or as a consultant to the employer under an agreement to terminate employment within two years or less of the execution of the agreement for compensation that is significantly different than the most recent contract salary; and

(4) payments under a procedure that allows the employee to designate

*the time of payment if the payments are made during the period of formula service credit used to compute a benefit or annuity under section 354.44, subdivision 6 or 7; 354.46, subdivision 1 or 2; or 354.48, subdivision 3.*

Sec. 5. Minnesota Statutes 1988, section 354.05, subdivision 37, is amended to read:

Subd. 37. [TERMINATION OF TEACHING SERVICE.] "Termination of teaching service" means the withdrawal of a member from active teaching service by resignation or the termination of the member's teaching contract by the employer. *A member is not considered to have terminated teaching service if, before the effective date of the termination or retirement, the member has entered into a contract to resume teaching service with an employing unit covered by the provisions of this chapter.*

Sec. 6. Minnesota Statutes 1988, 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 *or petitioned under section 7* 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 be represented by the attorney general. *Except as provided in section 7, subdivision 9, venue of all actions is in the Ramsey county district court.*

Sec. 7. [354.071] [APPEALS PROCEDURE.]

*Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, for the purpose of this section, the following terms have the meanings given.*

(a) "Documentation" includes, but is not limited to:

(1) sworn and notarized affidavits made on the personal knowledge of any person;

(2) official letters or documents;

(3) documents from the file of the petitioner; and

(4) other relevant documents that are admissible as evidence in a court of law.

(b) "Executive director" means the executive director of the teachers retirement association.

(c) "Person" includes any state institution, school district, or other governmental unit that employs persons covered under statutes listed in subdivision 2.

(d) "Record" means:

(1) the petition and the documentation that the petitioner submits with a petition;

(2) the executive director's answer to the petition and the documentation submitted with it; and

(3) the documentation that the board allows to be submitted in connection with the hearing on the petition if submitted in a timely fashion.

Subd. 2. [NOTICE OF TERMINATION OR DENIAL.] *If the executive director terminates a benefit, reduces a benefit, or denies an application or a written request of any person claiming a right under this chapter or*

*the applicable sections of chapters 136, 355, and 356, the executive director must serve upon that person a written notice. The notice must contain:*

- (1) the reasons for the termination, reduction, or denial;*
- (2) notification that the person may petition the board for a review of the termination or denial and that the petition for review must be filed within 60 days of the receipt of the written notice;*
- (3) a statement that failure to petition the board within 60 days will preclude the person from contesting, in any other court procedure or administrative hearing, the issues determined by the executive director; and*
- (4) a copy of this section.*

*Subd. 3. [PETITION FOR REVIEW.] A person who claims a right under the statutory provisions listed in subdivision 2 and regarding whom a benefit has been terminated or reduced or an application or written request has been denied may petition for a review of that decision by the board. A petition under this section must be served upon the executive director personally, or by mail postmarked no later than 60 days after the petitioner received the notice required by subdivision 2. The petition must include the sworn, notarized statement of the reasons the petitioner believes the decision of the executive director should be reversed or modified and may include relevant documentation.*

*Subd. 4. [ANSWER; RECORD FOR HEARING.] Within a reasonable time after receiving a petition, the executive director must serve the petitioner with an answer to the petition with all relevant documentation and with notice of the time and place of the regular or special board meeting at which the board will consider the petition. The documentation need not duplicate the documentation submitted by the petitioner. Not later than ten days before the board meeting at which the petition will be heard and at the time that the petition is considered by the board, the executive director must, personally or by mail, deliver a copy of the relevant documentation to each board member. Each board member who participates in the decision on the petition must be familiar with the entire contents of the relevant documentation.*

*Subd. 5. [HEARING.] The board shall hold a hearing on a petition for review in a timely fashion. The board must make its decision on a petition solely on the relevant documentation as submitted and the proceedings of the hearing. At the hearing, the petitioner, the petitioner's attorney, and the executive director may state and discuss with the board their positions with respect to the petition. The board may allow further documentation to be placed in the record at or subsequent to the board meeting at which the petition is considered. If the board allows additional documentation into the record at or subsequent to the board meeting, it may make a final determination on the petition at that board meeting only upon the agreement of both the petitioner and the executive director.*

*Subd. 6. [TERMINATION OF BENEFITS.] If the executive director proposes to terminate a benefit that is being paid to any person, before terminating the benefit, the executive director must, in addition to the other procedures prescribed herein, give the person written or oral notice of the proposed termination. The notice must explain the reason for the proposed termination. The person must be given an opportunity verbally or in writing to explain why the benefit should not be terminated. If the executive director is unable to contact the person and the executive director determines that*



*a failure to terminate the benefit might result in unauthorized payment by the association, the executive director may terminate the benefit with only a written notice containing the information required by subdivision 2, mailed to the address to which the benefit was last sent and, if that address is a financial institution, to the last known address of the person.*

*Subd. 7. [MEDICAL ADVISOR ACTION.] If a person petitions the board to reverse or modify a determination by the executive director finding that the petitioner, for medical reasons, does not or has ceased to qualify for a disability benefit, the board may resubmit the matter to the medical advisor for reconsideration, with or without instructions to obtain further medical examinations. The board may make a determination contrary to the recommendation of the medical advisor only if there is expert medical evidence in the record to support its contrary decision. If there is no medical opinion contrary to the opinion of the medical advisor in the record and the medical advisor asserts that the decision was made in accordance with the disability standard in section 354.05, subdivision 14, the board must follow the determination of the medical advisor. The board may make a determination different from the recommendation of the medical advisor on issues that do not involve a medical opinion.*

*Subd. 8. [BOARD FINDINGS.] After the board has made a decision on a petition, the executive director must prepare findings of fact, the board's reasons for its conclusions, and the board's final order for the signature of the chair or other board member as the board, by resolution, may designate. The executive director must serve the findings, conclusions, and order on the petitioner by certified mail.*

*Subd. 9. [APPEALS.] Within 30 days of receipt of the findings, conclusions, and final order, the petitioner may appeal the board's decision by writ or certiorari to the court of appeals. Failure to appeal to that court within the 30 days precludes the petitioner from later raising, in any court procedure or administrative hearing, those substantive and procedural issues that reasonably should have been raised upon appeal.*

*Subd. 10. [REFERRAL FOR ADMINISTRATIVE HEARING.] Notwithstanding sections 14.03; 14.06; and 14.57 to 14.69, a challenge to a determination of the executive director must be conducted exclusively under the procedures in this section. The board in its sole discretion may refer a petition brought under this section to the office of administrative hearings for a contested case hearing under sections 14.57 to 14.69.*

Sec. 8. Minnesota Statutes 1988, section 354.091, is amended to read:  
354.091 [SERVICE CREDIT.]

In computing the time of service of a teacher, the length of a legal school year in the district or institution where such service was rendered shall constitute a year under sections 354.05 to 354.10, provided such year is not less than the legal minimum school year of this state. No person shall be allowed credit for more than one year of teaching service for any fiscal year. Commencing July 1, ~~1969~~ 1961, (1) if a teacher teaches only a fractional part of a day, credit shall be given for a day of teaching service for each five hours taught, and (2) if a teacher teaches at least 170 full days in any fiscal year credit shall be given for a full year of teaching service, and (3) if a teacher teaches for only a fractional part of the year credit shall be given for such fractional part of the year as the term of service rendered bears to 170 days. Teaching service performed prior to July 1, ~~1969~~ 1961,

shall be computed pursuant to the law in effect at the time it was rendered.

In no event shall any teacher lose or gain retirement service credit as a result of the employer converting to a four day work week. If the employer does convert to a four day work week, the forms for reporting and procedures for determining service credit shall be determined by the executive director with the approval of the board of trustees.

Sec. 9. Minnesota Statutes 1988, section 354.092, is amended to read:  
354.092 [SABBATICAL LEAVE.]

~~A member who is granted a sabbatical leave may receive allowable service credit not exceeding three years in any ten consecutive years toward a retirement annuity by paying into the fund employee contributions during the period of leave. The employee contribution shall be based upon the appropriate rate of contributions and the salary received during the year immediately preceding the leave. This payment shall be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated, and shall be without interest. A member shall not accrue more than three years allowable service by reason of this section unless the allowable service credit was paid for by the member prior to July 1, 1962. A sabbatical leave for the purpose of this section shall be compensated by a minimum of one-third of the salary the member received for a comparable period during the prior fiscal year. Before the end of the fiscal year during which any sabbatical leave begins, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director. Deductions for employee contributions at the applicable rate specified in section 354.42 must be made by the employing unit from salary paid to the member for a sabbatical leave. The member may also make direct payment of employee contributions at the appropriate rates specified in section 354.42 based upon the difference between the salary received for the sabbatical leave and the salary received for a comparable period during the year immediately preceding the leave. This direct payment must be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated and must be without interest. If the employee contributions during the period of the leave made under this section are less than the employee contributions based on the salary received made for a comparable period during the year immediately preceding the leave, the allowable and formula service credit of the member shall be prorated according to section 354.05, subdivision 25, clause (3), except that if the member is paid full salary for any sabbatical leave of absence, either past or prospective, the allowable and formula service credit shall not be prorated. A member may not receive more than three years of allowable service credit in any ten consecutive years under this section unless the allowable service credit was paid for by the member before July 1, 1962. For sabbatical leaves taken that begin after June 30, 1986, the required employer contribution, including the amortization amount contributions specified in section 354.42, subdivisions 3 and 5, shall must be paid by the employing unit within 30 days after the association's written notification by the association to the employing unit of the amount due.~~

Sec. 10. Minnesota Statutes 1988, section 354.10, subdivision 2, is amended to read:

Subd. 2. [AUTOMATIC DEPOSITS.] The board may pay an annuity or benefit to a banking institution, qualified under chapter 48, that is a trustee for a person eligible to receive such the annuity or benefit. Upon completion

of the proper forms as provided by the ~~board~~ *executive director*, the annuity or benefit amount may be electronically transferred or the annuity or benefit check may be mailed to a banking institution, savings association or credit union for deposit to the recipient's individual account or joint account with a *the recipient's spouse*. The board shall prescribe the conditions which shall govern governing these procedures.

Sec. 11. Minnesota Statutes 1988, section 354.35, is amended to read:

**354.35 [RETIREMENT BEFORE BECOMING ELIGIBLE FOR SOCIAL SECURITY OPTIONAL ACCELERATED RETIREMENT ANNUITY BEFORE AGE 65.]**

~~Any~~ *A* coordinated member who retires before becoming eligible for social security retirement benefits, age 65 may elect to receive an optional accelerated retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The election of this optional *accelerated* retirement annuity shall be exercised by making an application to the board on a form provided by the board. The optional *accelerated retirement* annuity shall take the form of an annuity payable for the period before the member attains the age of 65 years in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement, but 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 section 354.44 on the basis of the age of the member at retirement. The social security leveling option may be calculated based on broad average social security old age retirement benefits. ~~the optional accelerated retirement annuity shall~~ *must* be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount shall *must* be paid until the member retiree reaches the age of 65 and at which that time the payment from the association shall *must* be reduced. *For each year the retiree is under age 65, up to five percent of the total life annuity required reserves may be used to accelerate the optional retirement annuity under this section.* The method of computing the optional *accelerated* retirement annuity provided in this section shall be established by the board of trustees. In establishing the method of computing the optional *accelerated* retirement annuity, the board of trustees shall *must* obtain the written recommendation of the commission-retained actuary. The ~~recommendations shall~~ *recommendation must* be a part of the permanent records of the board of trustees.

Sec. 12. Minnesota Statutes 1988, section 354.42, subdivision 7, is amended to read:

Subd. 7. [ERRONEOUS SALARY DEDUCTIONS OR DIRECT PAYMENTS.] (1) (a) Any deductions taken from the salary of an employee for the retirement fund in error shall ~~be refunded to the employee~~ upon discovery and verification by the ~~school district or institution~~ *employing unit* making the deduction, ~~be refunded to the employee and the corresponding employer contribution and additional employer contribution amounts attributable to the erroneous salary deduction must be refunded to the employing unit.~~

(2) ~~In the event~~ (b) *If salary deductions and employer contributions were erroneously transmitted to the retirement fund and should have been transmitted to another public pension fund enumerated in section 356.30,*

*subdivision 3, the retirement fund must transfer these salary deductions and employer contributions to the appropriate public pension fund without interest.*

*(c) If 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 has been returned to the funds of the school district or institution employing unit making the payment, a refundment refund of the sum so amount deducted, or any portion of it as that is required to adjust the salary deductions, shall be made to the school district or institution provided application for it is made on a form furnished by the retirement board employing unit.*

*(d) Any erroneous direct payments of member paid contributions or erroneous salary deductions that were not refunded in the regular processing of an employing unit's annual summary report shall be refunded to the member with interest computed using the rate and method specified in section 354.49, subdivision 2.*

Sec. 13. Minnesota Statutes 1988, section 354.44, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FOR RETIREMENT.] ~~Retirement may~~ *Application for retirement must be made upon application of by the member or of by someone acting authorized to act in the member's behalf. Application must be made on a form prescribed by the executive director.*

Sec. 14. Minnesota Statutes 1988, section 354.44, subdivision 5, is amended to read:

Subd. 5. [RESUMPTION OF TEACHING SERVICE AFTER RETIREMENT.] ~~Any person who retired under any provision of any retirement law applicable to schools and institutions covered by the provisions of this chapter and has thereafter resumed teaching in any school or institution employer unit to which this chapter applies shall be eligible to continue to receive payments in accordance with the annuity except that annuity payments must be reduced during any the calendar year immediately following any calendar year in which the person's income from the teaching service is in an amount equal to or greater than 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 under the provisions of United States Code, title 42, section 403. The amount of the reduction must be one-half of the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.~~

*If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.*

*After a person has reached age 70, no reemployment income maximum is applicable regardless of the amount of income. For the purpose of this subdivision, income from teaching service shall include includes, but is*

not limited to:

(a) all income for services performed as a consultant or an independent contractor for an employer unit covered by the provisions of this chapter; and

(b) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in an employer unit with approximately the same number of pupils and at the same level as the position occupied by the person who resumes teaching service.

~~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 equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of the applicable reemployment income maximum specified in this subdivision shall be deducted from the annuity payable for the year immediately following the year in which the excess amount was earned. After a person has reached the age of 70, the person shall receive the annuity in full regardless of the amount of income.~~

Sec. 15. Minnesota Statutes 1988, section 354.44, subdivision 8, is amended to read:

Subd. 8. [ANNUITY PAYMENT; EVIDENCE OF RECEIPT.] ~~Payment of An annuity or benefit for a given month shall must be paid during the first week of that month. Evidence of receipt of the check issued or acknowledgment of the amount electronically transferred in payment of an annuity or benefit shall be submitted by may be required from the payee or a banking institution on a form prescribed by the executive director. The evidence of receipt form shall may be submitted required periodically at times specified by the board. In the event the required evidence of receipt form is not submitted required, future annuities or benefits shall must be withheld until the form is submitted.~~

Sec. 16. Minnesota Statutes 1988, section 354.47, subdivision 2, is amended to read:

Subd. 2. [BENEFITS OF \$500 \$1,500 OR LESS.] ~~If a member or a former member dies without having a surviving designated a beneficiary, or if the beneficiary should die before making application for the refundment and the amount to the credit of such deceased member or former member, and the amount of the benefit the decedent is \$500 \$1,500 or less, the retirement board of trustees may 90 days after the date of death of the member or former member, in the absence of probate proceedings, make payment to the surviving spouse of the deceased member or former members, or, if none to the next of kin under the laws of descent of the state of Minnesota and such decedent. This payment shall be a bar to recovery of this payment from the association by any other person or persons. Any accrued retirement allowance or annuity which shall have accrued at the time of death of an annuitant, disability, or survivor benefit, may be paid in like the same manner.~~

Sec. 17. Minnesota Statutes 1988, section 354.48, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] ~~Any A member who became totally and permanently disabled after is totally~~

*and permanently disabled and has at least five years of credited allowable service shall be at the time that the total and permanent disability begins is entitled to a disability benefit based on this allowable service in an amount provided in subdivision 3. If such the disabled person's member's teaching 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 member whose average salary is less than \$75 per month shall is not be entitled to disability benefits.*

Sec. 18. Minnesota Statutes 1988, section 354.48, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] Any person described in subdivision 1, or another person authorized to act on behalf of the person, may make application for a total and permanent disability benefit only within the 18 months month period following the termination of teaching service but not there- after. This benefit shall begin to accrue accrues from the day following the commencement of disability or the day following the date on last day for which salary ceases is paid, whichever is later, but shall may not begin to accrue more than 90 days prior to before the date the application is filed with the board. If salary is being received for either annual or sick leave during the period, payments shall accrue from the date day following the last day for which this salary ceases is paid.

Sec. 19. Minnesota Statutes 1988, section 354.50, is amended by adding a subdivision to read:

Subd. 5. [QUALIFIED ROLLOVERS.] *Repayment of a refund and interest on that refund may be made with funds distributed from a plan qualified under the Internal Revenue Code of 1986, as amended through December 31, 1988, section 401(a), or an annuity qualified under the Internal Revenue Code, section 403(a). Repayment may also be made with funds distributed from an individual retirement account used solely to receive a nontaxable rollover from that type of a plan or annuity. The repaid refund must be separately accounted for as coordinated member contributions not previously taxed. Before accepting any transfers to which this subdivision applies, the executive secretary may require the coordinated member to demonstrate that the amounts to be transferred are eligible for a tax-free rollover and qualify for that treatment under the Internal Revenue Code.*

Sec. 20. Minnesota Statutes 1988, section 354.65, is amended to read:

354.65 [ADMINISTRATIVE EXPENSES.]

*Necessary and reasonable administrative expenses incurred by the teachers retirement association shall must be prorated and allocated to the teachers retirement fund, and the organization's participation in both the Minnesota variable annuity investment fund, the Minnesota postretirement investment fund and the Minnesota supplemental investment retirement fund must be in accordance with policies and procedures established by the board of trustees of the teachers retirement association.*

Sec. 21. [354A.095] [MATERNITY LEAVE.]

*A basic or coordinated member of the St. Paul teachers retirement fund association and old or new coordinated members of the Duluth teachers retirement fund association, who are granted parental or maternity leave of absence by the employing authority, are entitled to obtain service credit*

*not to exceed one year for the period of leave upon payment to the applicable fund by the end of the fiscal year following the fiscal year in which the leave of absence terminated. The amount of the payment must include the total required employee and employer contributions for the period of leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary upon return to teaching service and is payable without interest. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.*

Sec. 22. Minnesota Statutes 1988, section 354A.31, subdivision 3, is amended to read:

Subd. 3. [RESUMPTION OF TEACHING AFTER COMMENCEMENT OF A RETIREMENT ANNUITY.] Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 and who has resumed teaching service for the school district in which the teachers retirement fund association exists shall be entitled to continue to receive retirement annuity payments, except that for any person under the age of 72 years during any quarter in which the person's compensation for the teaching service is in an amount equal to or greater than the quarterly 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 United States Code, title 42, section 403. 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 equal to the quarterly maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of the applicable reemployment income maximum specified in this subdivision shall be deducted from the retirement annuity payment payable for the quarter immediately following the quarter in which the excess amount was earned. Any person to whom this subdivision applies who has reached the age of at least 72 years shall be entitled to continue to receive retirement annuity payments in full that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount greater than 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 under the provisions of United States Code, title 42, section 403. The amount of the reduction must be one-half the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

*If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.*

*After a person has reached age 70, no reemployment income maximum is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement*

fund association exists.

Sec. 23. Minnesota Statutes 1988, section 354A.38, is amended by adding a subdivision to read:

*Subd. 4. [QUALIFIED ROLLOVERS.] Repayment of a refund and interest on that refund may be made with funds distributed from a plan qualified under the Internal Revenue Code of 1986, as amended through December 31, 1988, section 401(a), or an annuity qualified under the Internal Revenue Code, section 403(a). Repayment may also be made with funds distributed from an individual retirement account used solely to receive a nontaxable rollover from that type of a plan or annuity. The repaid refund must be separately accounted for as coordinated member contributions not previously taxed. Before accepting any transfers to which this subdivision applies, the executive secretary may require the coordinated member to demonstrate that the amounts to be transferred are eligible for a tax-free rollover and qualify for that treatment under the Internal Revenue Code.*

Sec. 24. Minnesota Statutes 1988, section 356.30, subdivision 2, is amended to read:

*Subd. 2. [REPAYMENT OF REFUNDS.] Any A person who is employed has service credit in a position covered by one of the funds enumerated in subdivision 3 and who is employed or was formerly employed in a position covered by one of these funds, but also has received a refund from any other of such these funds, may repay such the refund to the respective fund under such terms and conditions as that are consistent with the laws governing such the other fund, except that the person need not be a currently contributing member of the fund to which the refund is repaid at the time the repayment is made. Unless otherwise provided by statute, the repayment of a refund under this subdivision may only be made within six months following termination of employment from a position covered by one of the funds enumerated in subdivision 3 or before the date of retirement from that fund, whichever is earlier.*

Sec. 25. Minnesota Statutes 1988, section 356.371, subdivision 3, is amended to read:

*Subd. 3. [REQUIREMENT OF NOTICE TO MEMBER'S SPOUSE.] If a public pension fund provides optional retirement annuity forms which that include a joint and survivor optional retirement annuity form potentially applicable to the surviving spouse of a member, the chief administrative officer of the public pension fund shall send a copy of the written statement required by subdivision 2 to the spouse of the member prior to before the member's election of an optional retirement annuity.*

*Following the election of an optional retirement annuity form by the member, a copy of the completed retirement annuity application shall and retirement annuity beneficiary form must be sent by certified mail by the public pension fund to the spouse of the retiring member. A signed acknowledgment must be required from the spouse confirming receipt of a copy of the completed retirement annuity application and retirement annuity beneficiary form. If the required signed acknowledgment is not received from the spouse within 30 days, the public pension fund must send another copy of the completed retirement annuity application and retirement annuity beneficiary form to the spouse by certified mail.*

Sec. 26. Minnesota Statutes 1988, section 356.80, subdivision 1, is



amended to read:

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, *or as of the end of the previous fiscal year for the plan*, 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 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.

Sec. 27. Minnesota Statutes 1988, section 356.80, subdivision 3, is amended to read:

Subd. 3. [ACCESS TO DATA.] Notwithstanding any provision of chapter 13 to the contrary, 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, *but only if the administrator has received a copy of the legal petition showing that an action for marriage dissolution has commenced and a copy of the affidavit of service showing that the petition has been served on the responding party to the action.*

Sec. 28. [ST. PAUL TEACHERS BYLAW AMENDMENT.]

*Authorization is hereby granted in accordance with Minnesota Statutes, section 354A.12, subdivision 4, for the St. Paul teachers retirement fund association to amend its bylaws as follows:*

*Paragraph (4) of section 2 of article IV of the bylaws may be amended to provide that repayment of a refund and interest on that refund may be made with funds distributed from a plan qualified under the Internal Revenue Code, section 401(a), an annuity qualified under the Internal Revenue Code, section 403(a), or from an individual retirement account used solely to receive a nontaxable rollover from that type of a plan or annuity. The conditions for acceptance of the repayment are governed by Minnesota Statutes, section 354A.38, subdivision 4.*

Sec. 29. [REPEALER.]

*Minnesota Statutes 1988, sections 136.88, subdivision 3; 354.41, subdivision 3; 354.531; 354.532; 354.55, subdivision 5; and 354.56, are repealed.*

Sec. 30. [EFFECTIVE DATE.]

*Sections 2 to 13 and 15 to 29 are effective the day following final enactment. Section 1 is effective July 1, 1989. Section 14 is effective January 1, 1989.*

ARTICLE 4  
PURCHASES OF CREDIT FOR  
PRIOR SERVICE

**Section 1. [PURCHASE OF PRIOR SERVICE CREDIT.]**

*Subdivision 1. [ELIGIBILITY.] The following persons are eligible to purchase credit for the specified period of prior service from the public employees retirement association:*

*(1) a person who is a member of the association and who has prior service as an elected court commissioner in Ramsey county between January 1, 1963, and December 31, 1974, for that period;*

*(2) a person whose employment with Hennepin county began in July 1973, but for whom no salary deductions were made between October 1973 and July 1976, for that period;*

*(3) a person who was born on October 1, 1925, who was a member of the association as of December 1, 1988, who is a seasonal employee of the city of St. Paul at the Highland golf course and who was employed in that capacity between June 25, 1979, and July 31, 1984, during which no salary deductions were made, for that period;*

*(4) a person who is a member of the association and who has prior service as an elected county recorder in Dakota county between January 1, 1983, and December 31, 1987, for that period; and*

*(5) a person who was born on May 11, 1927, whose employment by the city of Bloomington began in March 1960 and continued during the years 1960 and 1961, and for whom no salary deductions were made, for that period.*

*Subd. 2. [PURCHASE PAYMENT AMOUNT.] For a person eligible to purchase credit for prior service under subdivision 1, there must be paid to the public employees retirement association 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 public employees retirement association and assuming continuous future service in the public employees retirement association until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased, 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 public employees retirement association 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 public employees retirement association.*

*Subd. 3. [PAYMENT: CREDITING SERVICE.] Payment must be made in one lump sum, unless the executive director of the public employees retirement association agrees to accept payment in installments over a period not to exceed three years from the date of the agreement, with*

*interest at a rate deemed appropriate by the executive director. The period of allowable service may be credited to the account of the person 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 may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect for the public employees retirement association 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. Laws 1988, chapter 709, article 3, section 1, subdivision 4, is amended to read:

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), (5), (6), or (7)~~ 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. 3. [PURCHASE AMOUNT.]

*Notwithstanding Laws 1988, chapter 709, article 3, section 1, subdivision 2, the amounts required to purchase credit for prior service under Laws 1988, chapter 709, article 3, section 1, subdivision 1, clause (3), must be calculated assuming the affected employees will retire at age 65. Notwithstanding any contrary provision in section 352.116, if an employee who purchases service under clause (3) retires before age 65, the annuity must be reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt from the day the annuity begins to accrue to age 65.*

Sec. 4. [EFFECTIVE DATE.]

*Sections 1 and 3 are effective the day following final enactment. Section 2 is effective retroactively to May 5, 1988.*

## ARTICLE 5 JUDGES RETIREMENT PLAN MODIFICATIONS

Section 1. Minnesota Statutes 1988, section 356.30, subdivision 3, is amended to read:

Subd. 3. [COVERED FUNDS.] ~~The provisions of This section shall apply~~ applies to the following retirement funds:

- (1) state employees retirement fund established pursuant to chapter 352;
- (2) correctional employees retirement program, established pursuant to

chapter 352;

(3) unclassified employees retirement plan, established pursuant to chapter 352D;

(4) state patrol retirement fund, established pursuant to chapter 352B;

(5) legislators' retirement plan, established pursuant to chapter 3A;

(6) elective state officers' retirement plan, established pursuant to chapter 352C;

(7) public employees retirement association, established pursuant to chapter 353;

(8) public employees police and fire fund, established pursuant to chapter 353;

(9) teachers retirement fund, established pursuant to chapter 354;

(10) Minneapolis employees retirement fund, established pursuant to chapter 422A;

(11) Minneapolis teachers retirement fund association, established pursuant to chapter 354A;

(12) St. Paul teachers retirement fund association, established pursuant to chapter 354A;

(13) Duluth teachers retirement fund association, established pursuant to chapter 354A;

(14) public employees local government correctional service retirement plan established by sections 353C.01 to 353C.10; *and*

(15) *judges' retirement fund, established by sections 490.121 to 490.132.*

Sec. 2. Minnesota Statutes 1988, section 356.302, subdivision 7, is amended to read:

Subd. 7. [COVERED RETIREMENT PLANS.] This section applies to the following retirement plans:

(1) state employees retirement fund, established by chapter 352;

(2) unclassified employees retirement plan, established by chapter 352D;

(3) public employees retirement association, established by chapter 353;

(4) teachers retirement fund, established by chapter 354;

(5) Duluth teachers retirement fund association, established by chapter 354A;

(6) Minneapolis teachers retirement fund association, established by chapter 354A;

(7) St. Paul teachers retirement fund association, established by chapter 354A;

(8) Minneapolis employees retirement fund, established by chapter 422A;

(9) correctional employees retirement plan, established by chapter 352;

(10) state patrol retirement fund, established by chapter 352B; ~~and~~

(11) public employees police and fire fund, established by chapter 353; *and*

*(12) judges' retirement fund, established by sections 490.121 to 490.132.*

Sec. 3. Minnesota Statutes 1988, section 356.303, subdivision 4, is amended to read:

Subd. 4. [COVERED RETIREMENT PLANS.] This section applies to the following retirement plans:

- (1) legislators retirement plan, established by chapter 3A;
- (2) state employees retirement fund, established by chapter 352;
- (3) correctional employees retirement plan, established by chapter 352;
- (4) state patrol retirement fund, established by chapter 352B;
- (5) elective state officers retirement plan, established by chapter 352C;
- (6) unclassified employees retirement plan, established by chapter 352D;
- (7) public employees retirement association, established by chapter 353;
- (8) public employees police and fire fund, established by chapter 353;
- (9) teachers retirement fund, established by chapter 354;
- (10) Duluth teachers retirement fund association, established by chapter 354A;
- (11) Minneapolis teachers retirement fund association, established by chapter 354A;
- (12) St. Paul teachers retirement fund association, established by chapter 354A; ~~and~~
- (13) Minneapolis employees retirement fund, established by chapter 422A; *and*
- (14) *judges' retirement fund, established by sections 490.121 to 490.132.*

Sec. 4. Minnesota Statutes 1988, section 490.124, subdivision 12, is amended to read:

Subd. 12. [REFUND.] (a) Any person who ceases to be a judge but who does not qualify for a retirement annuity or other benefit under section 490.121 shall be entitled to a refund in an amount equal to all the person's contributions to the judges' retirement fund plus interest computed to the first day of the month in which the refund is processed based on fiscal year balances at the rate of five percent per annum compounded annually.

(b) *A refund of contributions under paragraph (a) terminates all service credits and all rights and benefits of the judge and the judge's survivors. A person who becomes a judge again after taking a refund under paragraph (a) may reinstate previously terminated service credits, rights, and benefits by repaying all refunds. A repayment must include interest at six percent per annum, compounded annually.*

Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective retroactively to August 1, 1987. Section 4 is effective the day following final enactment.*

ARTICLE 6  
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 PROVISIONS.] "Benefit provisions" 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. [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. 6. [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.*

*Subd. 7. [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. 8. [COVERED PENSION PLAN.] "Covered pension plan" means a pension plan or fund listed in section 356.20, subdivision 2, or 356.30, subdivision 3.*

*Subd. 9. [COVERED PENSION PLAN OTHER THAN A STATEWIDE PLAN.] "Covered pension plan other than a statewide plan" means a pension plan not included in the definition of a statewide plan in subdivision 24.*

*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. [FIDUCIARY.] "Fiduciary" means a person identified in section 2.*

*Subd. 13. [FIDUCIARY ACTIVITY.] "Fiduciary activity" means an activity described in section 2, subdivision 2.*

*Subd. 14. [FINANCIAL INSTITUTION.] "Financial institution" means a bank, savings institution, or credit union organized under federal or state law.*

*Subd. 15. [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. 16. [INVESTMENT ADVISORY COUNCIL.] "Investment advisory council" means the investment advisory council established by section 11A.08.*

*Subd. 17. [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. 18. [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. 19. [PENSION FUND.] "Pension fund" means the assets amassed and held in a pension plan, other than the general fund, as reserves for present and future payment of benefits and administrative expenses.*

*Subd. 20. [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. 21. [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. 22. [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. 23. [STATE BOARD OF INVESTMENT.] "State board of investment" means the Minnesota state board of investment created by the Minnesota Constitution, article XI, section 8.*

*Subd. 24. [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 AND ACTIVITIES.]**

*Subdivision 1. [FIDUCIARY STATUS.] For purposes of this chapter, the following persons are fiduciaries:*

- (1) any member of the governing board of a covered pension plan;
- (2) the chief administrative officer of a covered pension plan or of the state board of investment;
- (3) any member of the state board of investment; and
- (4) any member of the investment advisory council.

*Subd. 2. [FIDUCIARY ACTIVITY.] The activities of a fiduciary identified in subdivision 1 that must be carried out in accordance with the requirements of section 4 include, but are 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 maintenance of membership or financial records; and
- (7) the expenditure of plan assets.

**Sec. 3. [356A.03] [PROHIBITION OF CERTAIN PERSONS FROM FIDUCIARY STATUS.]**

*Subdivision 1. [INDIVIDUAL PROHIBITION.] For the prohibition period established by subdivision 2, a person, other than a constitutional officer of the state, who has been convicted of a violation listed in subdivision 3, may not serve in a fiduciary capacity identified in section 2.*

*Subd. 2. [PROHIBITION PERIOD.] A prohibition under subdivision 1 is for a period of five years, beginning on the day following conviction for a violation listed in subdivision 3 or, if the person convicted is incarcerated, the day following unconditional release from incarceration.*

*Subd. 3. [APPLICABLE VIOLATIONS.] A prohibition under subdivision 1 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. 4. [DOCUMENTATION.] In determining the applicability of this section, the appropriate appointing authority, the state board of investment, or the covered pension plan, as the case may be, 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 owes a*



*fiduciary duty to:*

*(1) the active, deferred, and retired members of the plan, who are its beneficiaries;*

*(2) the taxpayers of the state or political subdivision, who help to finance the plan; and*

*(3) the state of Minnesota, which established the plan.*

*Subd. 2. [PRUDENT PERSON STANDARD.] (a) A fiduciary identified in section 2 shall act in good faith and 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.*

*(b) If a fiduciary activity involves the investment of plan assets, a fiduciary identified in section 2 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) The activities of a fiduciary 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) The activities of fiduciaries identified in section 2 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, 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.] Each 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) Except to the extent otherwise authorized by law, 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 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 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 an 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;

(ii) for an obligation that is a revenue bond, has been completely self-supporting for the last five years; and

(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.]** Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with section 11A.24.

**Subd. 8. [MINIMUM LIQUIDITY REQUIREMENTS.]** A covered pension plan described by subdivision 6, paragraph (a), in order to pay benefits as they come due, 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 chief administrative officer of the plan shall determine the minimum liquidity requirement of the plan and shall retain appropriate documentation of that determination for three years from the date of determination.

**Subd. 9. [PROHIBITED TRANSACTIONS.]** (a) No fiduciary of a covered pension plan may engage in a prohibited transaction or 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;

(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, equipment and office supplies, and administrative services appropriate to the recipient's fiduciary position;

(5) the transfer of plan assets to a plan fiduciary for use by or the benefit of the fiduciary, other than the payment of retirement plan benefits to which a fiduciary 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 the fiduciary's 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 SUMMARY; ANNUAL REPORTS; ADDITIONAL DUTIES.]**

*Subdivision 1. [BENEFIT PROVISIONS SUMMARY.] The chief administrative officer of a covered pension plan shall prepare and provide each active plan participant 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 to a covered pension plan by a covered governmental entity, 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 as amended, the plan document governs. A copy of the plan document as amended must be furnished to a plan participant or benefit recipient upon request. 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.*

*Subd. 2. [ANNUAL FINANCIAL REPORT.] A covered pension plan shall provide each active 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 evaluation, if any, required by section 69.77, 69.773, 356.215, or 356.216, or a summary of those reports.*

*Subd. 3. [DISTRIBUTION.] A covered pension plan may distribute the summaries required by this section 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 made easily available to active plan participants.*

*Subd. 4. [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 determination of eligibility, benefits, or other rights under the plan that is adverse to a plan participant*

*or benefit recipient. The review procedure must include provisions for timely notice to the plan participant or benefit recipient and reasonable opportunity to be heard in any review proceeding conducted and may, but need not be, a contested case under chapter 14.*

Sec. 8. [356A.08] [PLAN ADMINISTRATION; ADDITIONAL DUTIES.]

*Subdivision 1. [PUBLIC MEETINGS.] A meeting of the governing board of a covered statewide pension plan or of a committee of the governing board of the statewide 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. 9. [356A.09] [FIDUCIARY BREACH; REMEDIES.]

*Subdivision 1. [OCCURRENCE OF BREACH.] A fiduciary breach occurs if a fiduciary violates the general standard of fiduciary conduct as specified in section 4 in carrying out the activities of a fiduciary. A fiduciary breach also occurs if a fiduciary of a covered pension plan violates the provisions of section 6, subdivision 9.*

*Subd. 2. [REMEDIES.] Remedies available for a fiduciary breach by a fiduciary are those specified by statute or available at common law.*

Sec. 10. [356A.10] [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 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.] Unless liability is barred under subdivision 4, cofiduciary liability is joint and several, but a cofiduciary has the right to recover from the responsible fiduciary for any damages paid by the cofiduciary.*

Sec. 11. [356A.11] [FIDUCIARY INDEMNIFICATION.]

*Subdivision 1. [INDEMNIFIED FIDUCIARIES.] A fiduciary who is a member of the governing board of a pension plan, the state board of investment, or the investment advisory council, or who is an employee of a covered pension plan or of the state board of investment, may be indemnified from liability for fiduciary breach. Indemnification is at the discretion of the governing board of the plan or of the state board of investment in the case of members of the state board or of the investment advisory council. A decision to indemnify a fiduciary must apply to all eligible fiduciaries of similar rank.*

*Subd. 2. [ALLOWABLE INDEMNIFICATION.] An indemnified fiduciary must be held harmless from reasonable costs or expenses incurred as a result of any actual or threatened litigation or other proceedings.*

Sec. 12. [356A.12] [JURISDICTION; SERVICE OF PROCESS; AND STATUTE OF LIMITATIONS.]

*Subdivision 1. [JURISDICTION.] The district court has jurisdiction over a challenge of a fiduciary action or inaction.*

*Subd. 2. [SERVICE OF PROCESS.] For a fiduciary or cofiduciary alleged in the complaint to be responsible for an alleged breach, personal service of process must be obtained.*

*Subd. 3. [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.*

Sec. 13. [356A.13] [CONTINUING FIDUCIARY EDUCATION.]

*Subdivision 1. [OBLIGATION OF FIDUCIARIES.] A fiduciary of a covered pension plan shall make reasonable effort to obtain knowledge and skills sufficient to enable the fiduciary to perform fiduciary activities adequately. At a minimum, a fiduciary of a covered pension plan shall comply with the program established in accordance with subdivision 2.*

*Subd. 2. [CONTINUING FIDUCIARY EDUCATION PROGRAM.] The governing boards of covered pension plans shall each develop and periodically revise a program for the continuing education of any of their board members and any of their chief administrative officers who are not reasonably considered to be experts with respect to their activities as fiduciaries. The program must be designed to provide those persons with knowledge and skills sufficient to enable them to perform their fiduciary activities adequately.*

Sec. 14. [EFFECTIVE DATE.]

*Sections 1 to 13 are effective the day following final enactment.*

## ARTICLE 7

## 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 1988, 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 6,* 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 1988, 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 and in accordance with article 6 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 1988, 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 6.

(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 6*, 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 1988, 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 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. *In addition, for the investment of pension fund assets, the members and director of the state board and members of the investment advisory council shall act in accordance with article 6.*

Sec. 6. Minnesota Statutes 1988, 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 6, section 6.~~

Sec. 7. Minnesota Statutes 1988, section 69.77, subdivision 2g, is amended to read:

Subd. 2g. The funds of the association ~~shall~~ *must* be invested in securities ~~which that are proper authorized investments pursuant to under article 6, section 11A.24 6, subdivision 6 or 7.~~ 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. 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. 8. Minnesota Statutes 1988, 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 6, section ~~11A.24~~ 6, subdivision 6 or 7. 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. 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. 9. Minnesota Statutes 1988, 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 6, 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. 10. Minnesota Statutes 1988, section 352.03, subdivision 7, is amended to read:

Subd. 7. [DIRECTORS' FIDUCIARY OBLIGATION.] The board and the director 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 6.

Sec. 11. Minnesota Statutes 1988, 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, chapter 356, and article 6.*

Sec. 12. Minnesota Statutes 1988, 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 6.* 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. 13. Minnesota Statutes 1988, 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 6.*

Sec. 14. Minnesota Statutes 1988, section 352C.091, subdivision 1, is amended to read:

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, chapter 356, and article 6.*

Sec. 15. Minnesota Statutes 1988, 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 6.*

Sec. 16. Minnesota Statutes 1988, 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 must be public employees and members of the association. For seven days beginning 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 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. A candidate who:

(1) receives contributions or makes expenditures in excess of \$100; or

(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 is void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund 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 must be so designed and the ballots counted in a manner that ensures that each vote is secret.

The secretary of state shall supervise the elections. The board of trustees and the executive director shall ~~faithfully administer the law without prejudice and undertake their activities consistent with the expressed intent of the legislature. 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 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, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs~~ article 6.

Sec. 17. Minnesota Statutes 1988, 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 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 and the executive director 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 which aid in financing it and the teachers who are its beneficiaries~~ *article 6.*

Sec. 18. Minnesota Statutes 1988, 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 6. 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. 19. Minnesota Statutes 1988, 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 this chapter 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. *In addition, the members of the board and the chief administrative officer shall act in a manner consistent with article 6.*

Sec. 20. Minnesota Statutes 1988, 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 *and article 6*, may transfer assets between accounts established by section 422A.06.

Sec. 21. Minnesota Statutes 1988, section 423.374, is amended to read:  
423.374 [OFFICERS OF ASSOCIATION.]

The officers of the relief association shall be 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. The affairs of each association ~~shall~~ *must* be managed *in accordance with article 6* by a board of directors elected in the manner prescribed by the articles of incorporation of the association.

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. 22. Minnesota Statutes 1988, section 423.45, is amended to read:  
423.45 [OFFICERS; DIRECTORS; BOND.]

The officers of the relief association shall be 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. The affairs of each association ~~shall~~ *must* be managed *in accordance with article 6* by a board of directors elected in the manner prescribed by the articles of incorporation of the association.

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. 23. Minnesota Statutes 1988, 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 6.*

Sec. 24. Minnesota Statutes 1988, 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 held to the standard of care enumerated in section 11A.09. *In addition, the trustees must act in accordance with article 6.*

Each member of the board is a fiduciary *and shall undertake all fiduciary activities in accordance with the standard of care of section 11A.09, and in a manner consistent with article 6.* 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. 25. Minnesota Statutes 1988, section 424.06, is amended to read:

424.06 [OFFICERS; TRUSTEES.]

The officers of the relief association shall be 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. The affairs of each association ~~shall~~ *must* be managed *in accordance with article 6* by a board of trustees elected in the manner prescribed by the articles of incorporation of the association.

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 pay the premiums on such bonds from its general fund.

Sec. 26. Minnesota Statutes 1988, 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 held to the standard of care enumerated in section 11A.09. *In addition, the trustees must act in accordance with article 6.*

Each member of the board is a fiduciary *and shall undertake all fiduciary activities in accordance with the standard of care of section 11A.09, and in a manner consistent with article 6.* 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. 27. Minnesota Statutes 1988, 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 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 6.~~

Sec. 28. [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 6.*

Sec. 29. Minnesota Statutes 1988, section 490.122, is amended to read:

490.122 [ADMINISTRATION OF JUDGES' RETIREMENT.]

The policy-making, 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 6.*

Sec. 30. [EFFECTIVE DATE.]

*Sections 1 to 29 are effective the day following final enactment.*

## ARTICLE 8 MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1988, 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":

(1) persons employed for professional services where the service is incidental to regular professional duties, determined on the basis that compensation for the service amounts to no more than 25 percent of the person's total annual gross earnings for all professional duties;

(2) election officers;

(3) independent contractors and their employees;

(4) patient and inmate help in governmental subdivision charitable, penal, and correctional institutions;



(5) members of boards, commissions, bands, and others who serve the governmental subdivision intermittently;

(6) employees whose employment is not expected to continue for a period longer than six consecutive months;

(7) part-time employees who receive monthly compensation from a governmental subdivision not exceeding \$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 \$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 \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members continue their membership until termination of public service;

(8) persons who first occupy an elected office after July 1, 1988, the compensation for which does not exceed \$425 per month;

(9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster;

(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 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 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;

(11) police matrons employed in a police department of a city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;

(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;

(13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are not employed full time by a governmental subdivision;

(14) resident physicians, medical interns, and pharmacist interns who are serving in public hospitals;

(15) appointed or elected officers, paid entirely on a fee basis, who were not members on June 30, 1971;

(16) persons holding a part-time adult supplementary technical institute license who render part-time teaching service in a technical institute if the service is incidental to the person's regular nonteaching occupation, the

applicable technical institute stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year, and the part-time teaching service actually does not exceed 300 hours in a fiscal year; and

(17) persons exempt from licensure under section 125.031; and

(18) persons who are employed by the Minneapolis community development agency.

(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 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 1988, section 355.90, subdivision 3, is amended to read:

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 referendum must permit each employee the opportunity to select or reject Medicare coverage. The governor shall certify that fact to~~

the Secretary of Health and Human Services; ~~and the that the conditions specified in United States Code, title 42, section 418(d)(7), have been met.~~ Coverage is effective for ~~all~~ members or participants of the plan ~~who select it on the first of the month after the certification unless the participant or member elects coverage effective retroactively to April 1, 1986.~~

Sec. 3. Minnesota Statutes 1988, section 355.90, subdivision 4, is amended to read:

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 selecting coverage under 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. 4. Minnesota Statutes 1988, section 356.001, is amended by adding a subdivision to read:

*Subd. 2a. [OFFICERS AND EMPLOYEES.] No chief administrative officer of a public pension or retirement plan or fund covered by this section who is a member of the plan or fund may serve for compensation as an officer or director of a business corporation, other business enterprise, or for-profit organization in which the plan or fund has an investment.*

Sec. 5. Laws 1980, chapter 595, section 2, subdivision 4, is amended to read:

Subd. 4. [PENSION COVERAGE; EXCLUSIONS FROM THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION.] (a) All employees of the agency shall be considered employees of *the housing and redevelopment authority and not the city of Minneapolis* for the purposes of *exclusion from membership in the public employee retirement association.*

(b) An employee of *the agency or the Minneapolis housing and redevelopment authority* who is transferred to employment of the department or agency or the Minneapolis industrial development commission *or the city of Minneapolis* shall elect one of the following options with respect to retirement programs within six months after the date of transfer:

~~(a)~~ (1) The employee may continue as a member of the retirement program established by the Minneapolis housing and redevelopment authority and in effect on the date of transfer, and the agency or department *or the city of Minneapolis* shall make the necessary employer contributions to the program instead of becoming a member of the public employees retirement association.

~~(b)~~ (2) The employee may become a member of the public employees

retirement association.

(c) An employee of the city of Minneapolis who is transferred to employment of the agency or the Minneapolis housing and redevelopment authority shall remain a member of the retirement fund to which the employee belonged prior to the transfer, during the employment. An employee of the city of Minneapolis who is a member of the Minneapolis municipal employees retirement fund who is transferred to employment of the agency shall remain a member of the fund during the employment.

Sec. 6. [REFUND OF EXCESS EMPLOYEE CONTRIBUTIONS.]

*A former employee of the bureau of health of the city of Saint Paul who, under Laws 1973, chapter 767, section 4, elected to retire with benefits calculated in accordance with Minnesota Statutes, chapter 425, as modified by Laws 1969, chapter 1102, may, upon application to the executive director of the public employees retirement association on a form prescribed by the executive director, receive a refund of excess employee contributions to the bureau of health pension fund. The amount to be refunded is the difference between the amount actually deducted from the employee's monthly pay from the effective date of Laws 1969, chapter 1102, to the effective date of Laws 1973, chapter 767, and an amount equal to six percent of the monthly salary of a health sanitarian in the employment of the city of Saint Paul on January 1, 1969, plus interest at the rate of six percent a year compounded annually. The refund is payable from the public employees retirement association.*

Sec. 7. [PAYMENT OF REFUNDS BY ASSOCIATION.]

*The executive director of the public employees retirement association shall notify each former employee of the bureau of health of the city of Saint Paul covered by section 6 who is receiving a retirement annuity from the public employees retirement association of the person's right to apply for a refund of excess contributions under that section. Application must be made within 60 days following notice or the eligibility for the refund expires. Upon receipt of an application for a refund from a person, the executive director of the association shall pay to the person a refund calculated in accordance with section 6.*

Sec. 8. [EFFECTIVE DATE.]

*Sections 1 and 5 are effective the day following approval by the city council of the city of Minneapolis and compliance with Minnesota Statutes, section 645.021, and apply retroactively to July 13, 1980. Sections 2, 3, 6, and 7 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to retirement; various public pension plans; making administrative modifications in various plans; authorizing the purchase of prior service credit; making various modifications in the judges' retirement plan; establishing, codifying, clarifying, and revising the obligations and responsibilities of public pension plan fiduciaries; making miscellaneous public pension plan modifications; amending Minnesota Statutes 1988, sections 11A.01; 11A.04; 11A.07, subdivision 4; 11A.09; 11A.13, subdivision 1; 43A.44, subdivision 2; 69.77, subdivision 2g; 69.775; 136.81, subdivision 1; 136.82, subdivisions 1 and 2; 136.84; 352.01, subdivision 11; 352.021, subdivision 5; 352.03, subdivisions 7 and 11; 352.116, subdivision 3; 352.22, subdivisions 1 and 2a; 352.92, by adding

a subdivision; 352.93, subdivision 3; 352.96, subdivision 3; 352B.03, subdivision 1; 352B.08, subdivision 3; 352B.10, subdivision 5; 352B.11, subdivision 2; 352C.091, subdivision 1; 352D.06, subdivision 1; 352D.075, subdivision 2; 352D.09, subdivision 1; 353.01, subdivisions 2a, 2b, 10, and by adding subdivisions; 353.03, subdivision 1; 353.27, subdivision 12; 353.28, subdivisions 5 and 6; 353.29, subdivisions 4 and 7; 353.33, subdivisions 1, 2, 5, 6, and 7; 353.34, subdivision 1; 353.35; 353.64, subdivisions 2 and 3; 353.656, subdivision 4; 354.05, subdivisions 35 and 37; 354.06, subdivision 1; 354.07, subdivision 3; 354.091; 354.092; 354.10, subdivision 2; 354.35; 354.42, subdivision 7; 354.44, subdivisions 3, 5, and 8; 354.47, subdivision 2; 354.48, subdivisions 1 and 2; 354.50, by adding a subdivision; 354.65; 354A.021, subdivision 6; 354A.31, subdivision 3; 354A.38, by adding a subdivision; 355.90, subdivisions 3 and 4; 356.001, by adding a subdivision; 356.30, subdivisions 2 and 3; 356.302, subdivision 7; 356.303, subdivision 4; 356.371, subdivision 3; 356.80, subdivisions 1 and 3; 422A.05, subdivisions 2a 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 490.124, subdivision 12; Laws 1980, chapter 595, section 2, subdivision 4; and Laws 1988, chapter 709, article 3, section 1, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 356A; proposing coding for new law in Minnesota Statutes, chapters 3A; 352; 353; 354; 354A; and 490; repealing Minnesota Statutes 1988, sections 136.88, subdivision 3; 352.03, subdivision 13; 352.73, subdivision 3; 353.01, subdivision 2c; 353.661; 353.662; 354.41, subdivision 3; 354.531; 354.532; 354.55, subdivision 5; and 354.56.”

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. 1417: A bill for an act relating to state lands; authorizing the sale of certain state lands bordering on public waters; authorizing the sale of certain trust fund land in Itasca, St. Louis, and Cook counties; authorizing the sale of certain surplus land for recreational purposes in the cities of Faribault, Anoka, Warroad, and Ortonville; authorizing the sale of a certain gifted city lot in the city of Brainerd; authorizing a private sale of certain land in Goodhue county to resolve an inadvertent trespass.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [BENTON COUNTY; EXCHANGE OF LAND.]

*Notwithstanding Minnesota Statutes, sections 92.45 and 94.342, subdivision 3, the commissioner of natural resources may exchange:*

*Part of Outlot “A”. Lakewood Shores, according to the plat and survey thereof on file and of record in the Office of the County Recorder located in Section 15, Township 37N, Range 31 W, Benton County, for land owned by John Burton, described as follows:*

*Part of Government Lot 1 of Section 14, Township 37 North, Range 31 West, Benton County, Minnesota, lying westerly of U. S. Trunk Highway No. 10.*

*The exchange will allow better access to state land located on Little Rock Lake in Benton county.*

Sec. 2. [ITASCA COUNTY; TRUST FUND LAND.]

*Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell in the manner prescribed for trust fund land, under Minnesota Statutes, chapter 92, the property described as:*

*The East one-half of the North one-fourth of Section 14, Township 150 North, Range 27 West, in Itasca county, Minnesota.*

*The land is suitable for agriculture and is not required for state forest purposes.*

*This land has been leased for several years to the adjacent property owner. The property owner has requested to purchase the property to expand a farming operation. The land is not needed for resource management purposes.*

Sec. 3. [ST. LOUIS COUNTY; TRUST FUND LAND.]

*Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell in the manner prescribed for trust fund land, under Minnesota Statutes, chapter 92, the following described property:*

*Lot 1 of Block 1 of the plat of Burntside View located in Government Lot 6, Section 23, Township 63 North, Range 13 West, St. Louis county.*

*The land and any improvements must be appraised separately.*

*If the purchaser of the property is not J. A. Louis LaMontague, the purchaser must reimburse Mr. LaMontague for the value of the improvements.*

*The land sale will resolve an inadvertent trespass that was discovered when a boundary line was resurveyed. The public interest will be best served when this trespass is resolved.*

Sec. 4. [COOK COUNTY; TRUST FUND LAND.]

*Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell in the manner prescribed for trust fund land, under Minnesota Statutes, chapter 92, the following described property:*

*The East 100 feet of the North 1,715 feet of the West half of the Northwest Quarter of Section 15, Township 64 North, Range 1 West, Cook county, Minnesota, containing 3.94 acres, more or less.*

*The land and improvements must be appraised separately.*

*If the purchaser of the property is not the Northwest Conference of the Evangelical Covenant Church, the purchaser must reimburse the Northwest Conference of the Evangelical Covenant Church for the value of the improvements.*

*This will resolve an inadvertent trespass that was discovered when a boundary line was resurveyed. The public interest will be best served when this trespass is resolved.*

Sec. 5. [CITY OF FARIBAULT; SURPLUS LAND FOR RECREATIONAL PURPOSES.]

*Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the following described property to the city*

*of Faribault in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10.*

*The commissioner of natural resources may sell:*

*All that part of the Northeast one-fourth of the Northeast one-fourth of Section 31, Township 110 North, Range 20 West, Rice county, Minnesota, containing 1.8 acres, more or less, described as follows: all that part of the land described in that certain deed between Swift and Company and the state of Minnesota dated June 28, 1971, and filed for record in the office of the register of deeds in and for Rice county, Minnesota, on August 19, 1971, in book 250 of Deeds on page 453, which lies westerly of the water's edge of the Straight river.*

*This land has been leased by the city for park purposes and the conveyance to the city will best serve the public interest.*

**Sec. 6. [ANOKA COUNTY; SURPLUS LAND FOR RECREATIONAL PURPOSES.]**

*Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the following described property to Anoka county in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10.*

*The commissioner of natural resources may sell property described as:*

*Government Lot 1, Section 5, Township 120 North, Range 22 West; and Government Lot 1, Section 6, Township 120 North, Range 22 West; and Government Lot 4, Section 31, Township 121 North, Range 22 West, Hennepin county, according to the government survey thereof. Containing 97.0 acres, more or less.*

*This land will be used for a county park and the conveyance to the county will best serve the public interest.*

**Sec. 7. [CITY OF WARROAD; RECREATIONAL PURPOSES.]**

*Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the following described property to the city of Warroad in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10:*

*Government Lot 6, Section 28, Township 163 North, Range 36 West, Roseau county, Minnesota.*

*This land was acquired for a public access and is no longer needed for that purpose. The conveyance to the city will best serve the public interest.*

**Sec. 8. [CITY OF ORTONVILLE; RECREATIONAL PURPOSES.]**

*Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the following described property to the city of Ortonville in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10.*

*The commissioner may sell property described as:*

*Commencing at the intersection of the center line of the Minnesota River and the center line of County State Aid Highway No. 30 on the Minnesota MHD Bridge No. 5411; thence southwesterly along the center line of County State Aid Highway No. 30 a distance of 550 feet, to its intersection with the South Dakota-Minnesota boundary line; thence southeasterly along*

*the interstate boundary line a distance of 60 feet to the point of beginning and its intersection with the south right-of-way line of County State Aid Highway No. 30. Thence northeasterly along the said right-of-way line a distance of 970 feet, more or less; thence southeasterly 350 feet along the top of the berm dyke; thence southwesterly 1,000 feet to the interstate boundary; thence northerly along said state line a distance of 120 feet, more or less, to a state monument; thence northwesterly along the interstate boundary line a distance of 315 feet, more or less, to the point of beginning, excepting therefrom the channel area, containing 7.2 acres, more or less, all lying in Section 9, Township 121 North, Range 46 West of the 5th Principal Meridian, being parts of Government Lots 1, 3, and 4, in said Section, Township, and Range, Lac Qui Parle and Big Stone counties, Minnesota.*

*This land has been used by the city for park purposes for some time. The conveyance to the city will best serve the public interest.*

**Sec. 9. [CITY OF BRAINERD; CITY LOT.]**

*Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell in the manner prescribed in Minnesota Statutes, chapter 94, the following described land:*

*Lot 10, Block 1, Bonny Woode Addition to the city of Brainerd, except the south eight feet thereof, according to the plat thereof on file and of record in the office of the county recorder in and for the county of Crow Wing in Minnesota.*

*This land is a lot within the city that was obtained through a gift to the state. It will best serve the public interest if this property is sold and the proceeds are used for the acquisition of other land.*

**Sec. 10. [GOODHUE COUNTY; PRIVATE SALE.]**

*Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell by private sale for a consideration of not less than the appraised value, excluding improvements, to Eugene Laqua, of Red Wing, Minnesota, a tract of land in Goodhue county and described as:*

*That part of Block 8, Wacouta Beach, according to the recorded plat thereof, described as follows:*

*Commencing at a found iron pipe at the southwest corner of Lot 7, Block 4, Wacouta Beach; thence South 00 degrees, 07 minutes, 53 seconds West along the southerly projection of the west line of said Lot 7, a distance of 40.01 feet to the north line of said Block 8; thence North 88 degrees, 41 minutes, 10 seconds East along said north line, a distance of 364.60 feet to the point of beginning of the land to be described; thence South 83 degrees, 50 minutes, 01 second East, a distance of 188.87 feet; thence North 23 degrees, 32 minutes, 52 seconds East, a distance of 12 feet, more or less, to the north line of said Block 8; thence westerly along said north line to the point of beginning containing .04 acres, more or less.*

*This will resolve an inadvertent trespass that was discovered through a resurvey of a boundary line. It will best serve the public interest if this land is sold to the affected property owner.*

**Sec. 11. [GOODHUE COUNTY; CORRECTION OF SURVEY ERROR.]**

*Notwithstanding Minnesota Statutes, sections 94.09 to 94.16; 92.45; or*



85.012, the commissioner of natural resources shall convey to the adjacent landowners interests in certain real property described in this section. This conveyance shall be made without consideration as it corrects a previous survey error.

*The conveyance shall be in a form approved by the attorney general.*

*The interest in land to be conveyed is located in Goodhue county and is described as follows:*

*That part of Government Lot 3, Section 13, Township 112 North, Range 13 West of the 5th Principal Meridian, Goodhue County, Minnesota, described more particularly as follows:*

*Commencing at a found Minnesota Department of Transportation 3-inch aluminum right-of-way marker, said marker is at Highway Station Number 239 + 48.1 and is at the easterly right of way of State Highway No. 61 at the T.S. of a spiral curve concave to the southwest. Said commencing point bears N 38 degrees 26' 20" W a chord distance of 137.60 feet from a found 1/2 inch iron pipe marked "RLS 12788" for the intersection of the east right of way line of State Hwy. No. 61, and the south line of Government Lot 3, also being the south line of Beach Bay Subdivision as recorded. Said commencing point also bears S 68 degrees 06' 17" E a distance of 3253.47 feet from a found Minnesota Department of Natural Resources Cast Iron Monument for the west one-quarter corner of Section 13, Township 112 N, Range 13 W, 5th Principal Meridian, Goodhue County, Minnesota, thence N 38 degrees 41' 05" W, astronomic bearing determined by solar observation a distance of 359.38 feet along the easterly right of way of State Highway No. 61 to the POINT OF BEGINNING of said tract; thence N 38 degrees 41' 05" W a distance of 16.21 feet continuing along the easterly right of way of State Highway No. 61, for the northwesterly corner of said tract; thence N 88 degrees 50' 35" E a distance of 1317.00 feet to the westerly shore of Lake Pepin, said distance reflects the shoreline as observed on August 9, 1988, with a mean sea level elevation of Lake Pepin observed at 667.11 feet, said elevation being referenced to a U.S. Coast & Geodetic Survey Brass Disc Benchmark stamped "K249", and located approximately 4.1 miles north of the intersection of Highways No. 61 & 63, 157 feet northeast of the centerline of Highway No. 61; thence S 18 degrees 14' 31" W a distance of 40.25 feet along the shoreline of Lake Pepin as described above; thence S 89 degrees 57' 18" W a distance of 1294.00 feet parallel with the south line of Government Lot 3, to the POINT OF BEGINNING. Said tract contains 33,193 square feet or 0.762 acres, more or less, to the shoreline of Lake Pepin as surveyed on August 9, 1988.*

**Sec. 12. [CARLTON COUNTY; TRANSFER FROM DEPARTMENT OF TRANSPORTATION TO DEPARTMENT OF NATURAL RESOURCES.]**

*Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, or other law, the commissioner of transportation on behalf of the state shall convey from the department of transportation to the department of natural resources, without compensation, interests in certain real property described in this section.*

*The conveyance shall be in a form approved by the attorney general.*

*The interest in land to be conveyed is located in Carlton county and is described as follows:*

*All right of access, being the right of ingress to and egress from Tract A described below, to Trunk Highway No. 311 renumbered No. 73;*

*Tract A. That part of the Southwest Quarter of the Southeast Quarter of Section 28, Township 46 North, Range 19 West, Carlton County, Minnesota; lying southeasterly of the southeasterly right of way line of Trunk Highway No. 73 as now located and established and westerly of the right of way of Trunk Highway No. 35 as now located and established;*

*which lies between points distant 20 feet and 80 feet southwesterly of the point of termination of Line 1 described below (both distances measured along said Line 1);*

*Line 1. Beginning at a point on the north line of Section 29, Township 46 North, Range 19 West, distant 1045.1 feet east of the north quarter corner thereof; thence run southwesterly at an angle of 73 degrees 02 minutes 00 seconds from said north section line (measured from west to south) for 699.16 feet; thence deflect to the left on a 4 degree 00 minute 00 second curve (delta angle 48 degrees 02 minutes 00 seconds) for 1200.83 feet; thence on tangent to said curve for 2630.1 feet to tangent spiral point; thence deflect to the left on a spiral curve of decreasing radius (spiral angle 06 degrees 00 minutes 00 seconds) for 300 feet to Spiral Curve Point; thence deflect to the left on a 04 degree 00 minute 00 second circular curve (delta angle 72 degrees 15 minutes 00 seconds) for 1806.25 feet to Curve Spiral Point; thence deflect to the left on a spiral curve of increasing radius (spiral angle 06 degrees 00 minutes 00 seconds) for 300 feet to Spiral Tangent Point; thence on tangent to said curve for 1239.8 feet and there terminating.*

**Sec. 13. [OTTER TAIL COUNTY; PRIVATE SALE TO CLEAR TITLE.]**

*Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, or other law, the commissioner of natural resources shall convey to the adjacent landowner interest in certain real property described in this section. The conveyance shall be made for not less than the appraised value.*

*The conveyance shall be in a form approved by the attorney general.*

*The interest in land to be conveyed is located in Otter Tail county and is described as follows:*

*Part of the Northeast Quarter of the Northwest Quarter (NE 1/4 of NW 1/4), of Section 17, Township 137, Range 38, in Ottertail County furtherly described as:*

*Beginning at a point 4 rods west of the Northeast corner of said Northeast Quarter of the Northwest Quarter (NE 1/4 of NW 1/4), of Section 17, Township 137, Range 38, 256 feet west, thence 429 feet south, thence 256 feet east, thence 429 feet north to place of beginning, less road across the northeast corner of same.*

*This conveyance will allow the chain of title for this parcel to be cleared.*

**Sec. 14. [EFFECTIVE DATE.]**

*Sections 1 to 13 are effective the day following final enactment."*

*Amend the title as follows:*

*Page 1, line 3, after the semicolon, insert "authorizing the exchange of certain land in Benton county;"*

Page 1, line 7, delete "Anoka,"

Page 1, line 8, before the semicolon, insert ", and Anoka county"

Page 1, line 9, delete "a" and insert "the"

Page 1, line 10, delete "county" and insert "and Otter Tail counties"

Page 1, line 11, before the period, insert "; authorizing conveyance of interest in certain land in Goodhue county to correct a survey error; authorizing transfer of certain land in Carlton county from the department of transportation to the department of natural resources"

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. 268: A bill for an act relating to commerce; regulating burglar alarm franchises; amending Minnesota Statutes 1988, section 80C.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. Minnesota Statutes 1988, section 80C.14, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITION.] No person, whether by means of a term or condition of a franchise or otherwise, shall engage in any unfair or inequitable practice in contravention of such rules as the commissioner may adopt defining as to franchises the words "unfair and inequitable." For the purpose of rules defining the words "unfair and inequitable," the commissioner may specifically recognize classifications of franchises including but not limited to the classifications of motor vehicle fuel franchises, motor vehicle franchises, hardware franchises, and franchises which require that the franchisee make an initial, unfinanced investment in excess of \$200,000. A violation of this section is enjoynable by a court of competent jurisdiction, *and irreparable harm to the franchisee will be presumed if there is a violation of this section.*

A temporary injunction may be granted under this section without requiring the posting of any bond or security. A bond or security is required if a temporary restraining order is granted.

Sec. 2. Minnesota Statutes 1988, section 80C.21, is amended to read:

80C.21 [WAIVERS VOID.]

Any condition, stipulation or provision, *including any choice of law provision, purporting to bind any person acquiring any franchise to waive compliance or which has the effect of waiving compliance* with any provision of sections 80C.01 to 80C.22 or any rule or order thereunder is void.

Sec. 3. [INTENT.]

*Sections 1 and 2 are a restatement and clarification of the legislative intent of sections 80C.14, subdivision 1, and 80C.21, and must not be construed as a modification of existing law.*

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 commerce; clarifying legislative intent regarding unfair practices under a franchise agreement; amending Minnesota Statutes 1988, sections 80C.14, subdivision 1; and 80C.21."

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. 424: A bill for an act relating to commerce; unclaimed property; providing for the ownership of metal dies and molds; amending Minnesota Statutes 1988, section 345.20, subdivision 1.

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

H.F. No. 1352: A bill for an act relating to intoxicating liquor; authorizing the city of Blaine to issue one additional on-sale license.

Reports the same back with the recommendation that the bill do pass. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 459, 462, 65, 1332, 721, 89, 1074, 1168, 698, 1248, 1293, 1396, 1494, 1238, 960, 1407, 756, 287, 1122, 1435, 627, 1027, 1087, 1138, 1401, 922, 253, 425, 1095, 1509, 1374, 1102, 1174, 1032, 956, 55, 1323, 94, 312, 190, 339, 1020, 818, 1201 and 1417 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 740, 593, 895, 989, 268, 424 and 1352 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that H.F. No. 46 be taken from the table, given a second reading and placed at the top of General Orders. The motion prevailed.

Mr. Lessard moved that the names of Messrs. Pogemiller and Knaak be added as co-authors to S.F. No. 150. The motion prevailed.

Mr. Schmitz moved that his name be stricken as a co-author to S.F. No. 891. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Ms. Olson be added as a co-author to S.F. No. 1095. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Marty be added as a co-author to S.F. No. 1414. The motion prevailed.

Mr. Lessard moved that the names of Messrs. Bernhagen and Novak be added as co-authors to S.F. No. 1439. The motion prevailed.

Mr. Waldorf moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 1460. The motion prevailed.

Mr. Solon moved that the name of Mr. Moe, R.D. be added as a co-author to S.F. No. 1491. The motion prevailed.

Mr. Metzen moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1542. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 102: A Senate resolution congratulating James Christensen on attaining the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Mr. Frederick introduced—

Senate Resolution No. 103: A Senate resolution congratulating the Owatonna High School Math Team for winning the 1989 State High School Math Championship.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 7 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 7: A Senate concurrent resolution commending retiring University of Minnesota Regents: the Honorable Wally Hilke, the Honorable David M. Lebedoff, the Honorable Charles F. McGuigan, and the Honorable Wenda W. Moore.

WHEREAS, providing quality education on all levels to citizens of the United States of America is perhaps the most important challenge facing our country; and

WHEREAS, the University of Minnesota Board of Regents has the responsibility of ensuring that the University of Minnesota maintains its reputation as one of the finest academic institutions in the United States; and

WHEREAS, service on the Board of Regents requires a thorough understanding of both the University and the people of the State of Minnesota, a willingness to work to resolve complex problems, and a deep devotion to public service; and

WHEREAS, the present regents have served at a time of extraordinary difficulty; and

WHEREAS, four members of the University of Minnesota Board of Regents have recently announced their retirement after years of service to the University of Minnesota, its educators, staff, and students; and

WHEREAS, these retiring Regents are: the Honorable Wally Hilke, the Honorable David M. Lebedoff, the Honorable Charles F. McGuigan, and the Honorable Wenda W. Moore; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring, that the Senate and House of Representatives commend these retiring Regents for their years of dedicated service to the University of Minnesota and to quality education.

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 those of the Chairman of the Senate Rules and Administration Committee, the Speaker of the House of Representatives, and the Chief Clerk of the House of Representatives, and present them to Wally Hilke, David M. Lebedoff, Charles F. McGuigan, and Wenda W. Moore.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Johnson, D.E. moved that H.F. No. 501 be withdrawn from the Committee on Education and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 425, now on the Consent Calendar. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Second Reading of House Bills.

### SECOND READING OF HOUSE BILLS

H.F. No. 46 was read the second time.

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

S.F. No. 1241: A bill for an act relating to education; changing a requirement for teaching in barber school; amending Minnesota Statutes 1988, section 154.065, 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Knutson	Moe, D.M.	Ramstad
Belanger	Dicklich	Kroening	Moe, R.D.	Reichgott
Benson	Diessner	Langseth	Morse	Renneke
Berglin	Frank	Lantry	Novak	Samuelson
Bernhagen	Frederick	Larson	Olson	Schmitz
Bertram	Frederickson, D.J.	Lessard	Pariseau	Solon
Brandl	Frederickson, D.R.	Luther	Pehler	Spear
Chmielewski	Freeman	Marty	Peterson, D.C.	Storm
Cohen	Gustafson	McQuaid	Peterson, R.W.	Stumpf
Dahl	Johnson, D.E.	Mehrkens	Piper	Vickerman
Davis	Johnson, D.J.	Merriam	Pogemiller	Waldorf
Decker	Knaak	Metzen	Purfeerst	

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. 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. 391 and 1, which the committee recommends to pass.

S.F. No. 723, which the committee reports progress, subject to the following motion:

Ms. Berglin moved to amend S.F. No. 723 as follows:

Page 6, line 35, after the period, insert "*Prior to the adoption of rules the board shall use the same procedures used by the department of health to certify public health nurses.*"

Page 11, after line 18, insert:

"Sec. 9. [148.2315] [REGISTRATION OF PUBLIC HEALTH NURSES.]

*A public health nurse certified for public health duties by the commissioner of health under section 145A.06, subdivision 3, or previous authority must be deemed to be registered as a public health nurse under the provisions of sections 148.171 to 148.285."*

Page 13, line 19, delete "12" and insert "13"

Page 22, line 17, delete "13" and insert "14"

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

S.F. No. 587, which the committee recommends to pass with the following amendment offered by Mr. Beckman:

Page 3, lines 33 and 36, strike "116J.06" and insert "216C.06"

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 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. 702: Messrs. Pogemiller, Luther and McGowan.

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. Dicklich, Solon and Kroening introduced—

S.F. No. 1562: A bill for an act relating to appropriations; appropriating money to help retain Northwest Airlines in the state; authorizing the issuance of state bonds.

Referred to the Committee on Commerce.

Messrs. Metzen, DeCramer, Frederick and Mehrkens introduced—

S.F. No. 1563: A bill for an act relating to motor vehicles; restricting access to registration information concerning passenger automobile lessees; amending Minnesota Statutes 1988, section 168.345.

Referred to the Committee on Transportation.

Messrs. Pehler; Moe, D.M.; Pogemiller; Laidig and Brandl introduced—

S.F. No. 1564: A bill for an act relating to education; appropriating money for grants to the Minnesota Hispanic Education Program, Inc.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1565: A bill for an act relating to corrections; requiring county boards to provide medical aid for prisoners in jail; amending Minnesota Statutes 1988, section 641.15.

Referred to the Committee on Health and Human Services.

Ms. Piper and Mrs. Brataas introduced—

S.F. No. 1566: A bill for an act relating to public health; changing the structure and authorities of the Minnesota Institute for Addiction and Stress Research; amending Minnesota Statutes 1988, sections 152A.01, subdivisions 1, 2, 3, 6, and by adding subdivisions; 152A.02; 152A.03; and 152A.04; repealing Laws 1988, chapter 689, article 2, section 269, subdivision 5.

Referred to the Committee on Health and Human Services.

Messrs. Novak, Dicklich and Johnson, D.J. introduced—

S.F. No. 1567: A bill for an act relating to capital improvements; authorizing a grant to renovate and improve the Mounds View North Environmental Learning Center; authorizing the sale of state bonds; appropriating money.

Referred to the Committee on Environment and Natural Resources.



Messrs. Chmielewski, Bertram, Lessard and Laidig introduced—

S.F. No. 1568: A bill for an act proposing an amendment to the Minnesota Constitution, article I; adding a section to provide that the right to keep and bear arms shall not be abridged; appropriating money.

Referred to the Committee on Judiciary.

Messrs. Solon; Chmielewski; Johnson, D.J.; Gustafson and Stumpf introduced—

S.F. No. 1569: A bill for an act relating to taxation; sales and use; providing an exemption for capital equipment and construction materials for major manufacturing projects in distressed counties; amending Minnesota Statutes 1988, section 297A.257, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws. Mr. Diessner questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Luther, Marty, Laidig and Dahl introduced—

S.F. No. 1570: A bill for an act relating to solid waste; providing for household battery management programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 115A and 297A.

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott introduced—

S.F. No. 1571: A bill for an act relating to human rights; allowing a jury trial in certain discrimination cases; amending Minnesota Statutes 1988, section 363.14, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Marty and Merriam introduced—

S.F. No. 1572: A bill for an act relating to motor vehicles; registration; abolishing authority to appoint corporations or private individuals other than persons acting on behalf of nonprofit corporations as deputy registrars; providing for the transfer of appointments of corporations as deputy registrars to private individuals in certain circumstances; requiring county auditors to accept appointments as deputy registrars except in certain situations; permitting any other county official or any statutory or home rule charter city official to be appointed as a deputy registrar; permitting counties to contract with private individuals for deputy registrar services in certain instances; requiring the registrar of motor vehicles to adopt rules governing the hours of operation of deputy registrars; permitting private individuals holding appointments as deputy registrars or qualifying for transfers of appointments held by corporations to continue to operate as deputy registrars; requiring the registrar of motor vehicles to develop a plan for compensating persons who by a certain date purchased corporations holding appointments as deputy registrars; amending Minnesota Statutes 1988, section 168.33, subdivision 2.

Referred to the Committee on Transportation.

Mr. Luther introduced—

S.F. No. 1573; A bill for an act relating to commerce; regulating divesting transactions involving a principal domestic subsidiary; authorizing the metropolitan airports commission to approve a change in control of a major tenant at the Minneapolis-St. Paul airport; modifying standards that may be considered by certain investment fiduciaries; providing for worker and consumer protections after a leveraged buyout; imposing a tax on golden parachute compensation agreements; amending Minnesota Statutes 1988, sections 80B.01, subdivisions 1 and 10, and by adding subdivisions; 268.07, subdivision 2; and 302A.011, subdivision 41, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 80B; 290; 300; 302A; and 325E; proposing coding for new law as Minnesota Statutes, chapters 268A; and 360A.

Referred to the Committee on Commerce.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 7:00 p.m., Tuesday, April 18, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTY-THIRD DAY

St. Paul, Minnesota, Tuesday, April 18, 1989

The Senate met at 7:00 p.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by Mr. David Skilbred.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Merriam	Ramstad
Beckman	Decker	Knutson	Metzen	Reichgott
Belanger	DeCramer	Kroening	Moe, D.M.	Renneke
Benson	Dicklich	Laidig	Moe, R.D.	Samuelson
Berg	Diessner	Langseth	Morse	Schmitz
Berglin	Frank	Lantry	Novak	Solon
Bernhagen	Frederick	Larson	Olson	Spear
Bertram	Frederickson, D.J.	Lessard	Pariseau	Storm
Brandl	Frederickson, D.R.	Luther	Pehler	Stumpf
Brataas	Freeman	Marty	Peterson, D.C.	Taylor
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	

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. Anderson, Hughes and Purfeerst were excused from the Session of today. Mr. Cohen was excused from the Session of today at 9:30 p.m. Mr. Lessard was excused from the Session of today from 7:00 to 7:30 p.m. and 10:00 to 10:30 p.m. Mr. Metzen was excused from the Session of today from 7:00 to 8:00 p.m. Mr. Beckman was excused from the Session of today from 9:00 to 10:00 p.m. Mrs. Adkins was excused from the Session of today at 10:00 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

March 27, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Racing Commission is hereby respectfully submitted to the Senate for confirmation as required by law:

Thomas Metzen, 111 Imperial Dr., West St. Paul, Dakota County, has been appointed by me, effective March 22, 1989, for a term expiring June 30, 1993.

(Referred to the Committee on General Legislation and Public Gaming.)

April 12, 1989

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:

B. Elaine Markey, 3045 Boone Ave. N., New Hope, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Cindy (Cynthia R.) Hanson, 25 Sidney Pl. S.E., Minneapolis, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1991.

Patricia Goldman, 610 E. Park Ave., Albert Lea, Freeborn County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

Sincerely,  
Rudy Perpich, Governor

April 14, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
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33RD DAY]

TUESDAY, APRIL 18, 1989

1817

106	29	1757 hours	April 13	April 13
508	30	1756 hours	April 13	April 13
481	33	1754 hours	April 13	April 13

Sincerely,  
Joan Anderson Growe  
Secretary of State

April 14, 1989

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. 114.

Sincerely,  
Rudy Perpich, Governor

April 14, 1989

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 1989 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.	Time and Date Approved 1989	Date Filed 1989
	937	31	1511 hours April 14	April 14
114		32	1512 hours April 14	April 14

Sincerely,  
Joan Anderson Growe  
Secretary of State

April 17, 1989

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. 112, 203, 382, 390, 699 and 831.

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. 271, 332, 681 and 1080.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 17, 1989

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. 478: A bill for an act relating to education; providing for donations to the permanent school fund; amending Minnesota Statutes 1988, sections 84.085 and 124.08.

Senate File No. 478 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 17, 1989

**CONCURRENCE AND REPASSAGE**

Mr. Pehler moved that the Senate concur in the amendments by the House to S.F. No. 478 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 478 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Morse	Samuelson
Beckman	Davis	Knaak	Novak	Schmitz
Berg	DeCramer	Kroening	Pehler	Solon
Berglin	Dicklich	Langseth	Peterson, D.C.	Spear
Bertram	Diessner	Lantry	Peterson, R.W.	Stumpf
Brandl	Frank	Luther	Piper	Vickerman
Chmielewski	Frederickson, D.J.	Moe, D.M.	Pogemiller	
Cohen	Freeman	Moe, R.D.	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. 192: A bill for an act relating to natural resources; increasing

certain limits on security in lieu of bond for forestry development projects; amending Minnesota Statutes 1988, section 574.264, subdivision 1.

Senate File No. 192 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 17, 1989

### CONCURRENCE AND REPASSAGE

Mr. Bertram moved that the Senate concur in the amendments by the House to S.F. No. 192 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 192 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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Morse	Schmitz
Beckman	DeCramer	Langseth	Novak	Solon
Berg	Dicklich	Lantry	Pehler	Spear
Berglin	Diessner	Lessard	Peterson, D.C.	Stumpf
Bertram	Frank	Luther	Peterson, R.W.	Vickerman
Brandl	Frederickson, D.J.	Marty	Piper	Waldorf
Chmielewski	Freeman	Merriam	Pogemiller	
Cohen	Johnson, D.J.	Moe, D.M.	Ramstad	
Dahl	Knaak	Moe, R.D.	Samuelson	

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. 386, 400, 655, 796, 110, 483, 678, 736, 812, 1149, 1438, 1459, 955, 1029, 1048, 1077, 1104, 1172, 1267, 1416, 1283, 1311, 1330, 1160, 1351, 1411, 65, 193, 595, 635, 1197, 731, 761, 837, 916, 1405, 1429, 1069, 1151, 1357, 412, 456 and 564.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 17, 1989

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 386: A bill for an act relating to health; permitting various public hospitals to hold closed meetings on certain facility business; amending Minnesota Statutes 1988, section 144.581, by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 400: A bill for an act relating to natural resources; requiring written notice to the commissioner of natural resources of the vacation of roads, highways, streets, alleys, and similar public grounds that terminate at or abut upon any public water; amending Minnesota Statutes 1988, sections 161.16, subdivision 6; 163.11, by adding a subdivision; 164.07, subdivision 2; 412.851; 440.13; 440.135, subdivision 2; and 505.14.

Referred to the Committee on Local and Urban Government.

H.F. No. 655: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Anoka county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 453, now on General Orders.

H.F. No. 796: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Pine and Fillmore counties.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 712, now on General Orders.

H.F. No. 110: A bill for an act relating to metropolitan government; prescribing the term of the chair of the metropolitan council; amending Minnesota Statutes 1988, section 473.123, subdivisions 2a and 4.

Referred to the Committee on Local and Urban Government.

H.F. No. 483: A bill for an act relating to crime; including controlled substance offenses in the evidentiary provision of the disorderly house crime; amending Minnesota Statutes 1988, section 609.33, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 682, now on General Orders.

H.F. No. 678: A bill for an act relating to data privacy; classifying financial information submitted by applicants for liquor licenses to political subdivisions as private; amending Minnesota Statutes 1988, section 13.41, by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 736: A bill for an act relating to elections; altering a penalty for issuing certain election certificates; requiring certifications by certain committees; amending Minnesota Statutes 1988, section 211A.05, subdivision 1.

Referred to the Committee on Elections and Ethics.

H.F. No. 812: A bill for an act relating to insurance; life; allowing insurance policies to contain a rider providing for early payment of benefits to recipients of long-term care; amending Minnesota Statutes 1988, sections 60A.06, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 61A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 870, now on General Orders.

H.F. No. 1149: A bill for an act relating to state lands; providing for exceptions to usual conveyance procedures; amending Minnesota Statutes 1988, sections 94.10, by adding a subdivision; and 282.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 94.



Referred to the Committee on Environment and Natural Resources.

H.F. No. 1438: A resolution memorializing the Board of Governors of the Federal Reserve Board to reject amendments to its rules that would govern permissible activities of state-chartered banks.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1302, now on General Orders.

H.F. No. 1459: A bill for an act relating to handicapped persons; permitting training of guide dogs in public accommodations; amending Minnesota Statutes 1988, section 256C.02.

Referred to the Committee on Health and Human Services.

H.F. No. 955: A bill for an act relating to financial institutions; providing standards for determining transaction account service charges; permitting state banks to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules regarding activities of banks and bank subsidiaries; amending Minnesota Statutes 1988, sections 48.512, by adding a subdivision; and 48.61, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 863, now on General Orders.

H.F. No. 1029: A bill for an act relating to Blue Earth county; authorizing the county to transfer certain duties.

Referred to the Committee on Judiciary.

H.F. No. 1048: A bill for an act relating to vocational rehabilitation; requiring that 51 percent of the members of the board of directors of centers for independent living are persons with disabilities; changing the membership of the Minnesota council for the blind; amending Minnesota Statutes 1988, sections 129A.01, subdivision 9; and 248.10, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 1077: A bill for an act relating to state lands; authorizing conveyance of state land to the city of St. Peter.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 921, now on General Orders.

H.F. No. 1104: A bill for an act relating to county personnel boards and other state and local government bodies; increasing the size of the Ramsey county personnel board; permitting the director to issue subpoenas; providing for court enforcement of state and local government entity subpoena powers; amending Minnesota Statutes 1988, sections 383A.287, subdivision 2; 383A.294, by adding a subdivision; 383B.36, subdivision 2; and 383C.048; proposing coding for new law as Minnesota Statutes, chapter 594.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1079, now on General Orders.

H.F. No. 1172: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Carlton county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 64, now on General Orders.

H.F. No. 1267: A bill for an act relating to Anoka county; permitting the

appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1144, now on General Orders.

H.F. No. 1416: A bill for an act relating to state lands; authorizing private conveyance of certain tax-forfeited land in Benton county.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1283: A bill for an act relating to insurance; property and casualty; regulating policy provisions, forms, nonrenewals, coverages; regulating trade practices in these and other lines; regulating the Minnesota joint underwriting association; making certain technical changes; amending Minnesota Statutes 1988, sections 60A.02, by adding a subdivision; 60A.08, by adding a subdivision; 60A.17, subdivision 6c; 60A.198, subdivision 3; 62I.02, subdivision 2; 62I.16, subdivision 3; 65A.29, subdivision 8, and by adding subdivisions; 65A.33, subdivision 3; 65B.15, subdivision 1; 65B.44, subdivision 3; 65B.525, subdivision 1; 72A.20, subdivision 17, and by adding subdivisions; 72A.201, subdivision 5, and by adding subdivisions; and 79.251, by adding a subdivision; repealing Minnesota Statutes 1988, section 62I.12; and Minnesota Rules, part 2780.2700.

Referred to the Committee on Commerce.

H.F. No. 1311: A bill for an act relating to public employees; providing a policy prohibiting harassment based on race or disability; requiring discipline for employees who engage in harassment; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on Governmental Operations.

H.F. No. 1330: A bill for an act relating to agriculture; changing the dairy industry checkoff rate; amending Minnesota Statutes 1988, section 17.59, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1223.

H.F. No. 1160: A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1102, now on General Orders.

H.F. No. 1351: A bill for an act relating to local government; permitting the Dakota and Washington county housing and redevelopment authorities to waive performance bonds for single family housing construction; amending Laws 1971, chapter 333; and Laws 1974, chapter 475.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1138, now on General Orders.

H.F. No. 1411: A bill for an act relating to cooperatives; recodifying and clarifying certain provisions on cooperative businesses; amending certain provisions of cooperative business law; requiring a registered officer or agent for cooperatives; authorizing cooperatives to provide greater approval proportions than provided in statute for certain cooperative actions; providing corporate existence of cooperative begins with filing of articles; authorizing loans to and fiduciary powers with members; specifying how

vacancies in unexpired directors' terms may be filled; authorizing the board to rescind membership for member violations; eliminating certain filings with county recorders; eliminating attorney general approval of articles of merger or consolidation; prescribing a fee for filing articles of consolidation; prescribing a procedure for dissolution of cooperatives; deeming certain organized cooperatives to be organized under and subject to this act; amending Minnesota Statutes 1988, sections 47.20, subdivision 2; 117.232, subdivision 1; 216B.027, subdivision 5; 237.075, subdivision 9; 273.124, subdivisions 3 and 6; 273.132, subdivision 5; 363.01, subdivision 32; and 500.20, subdivision 2a; proposing coding for new law as Minnesota Statutes, chapter 308A; repealing Minnesota Statutes 1988, sections 308.01 to 308.92.

Referred to the Committee on Judiciary.

H.F. No. 65: A bill for an act relating to economic development; authorizing local jurisdictions involved in economic development to participate in secondary markets; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 65, now on General Orders.

H.F. No. 193: A bill for an act relating to crimes; providing that an offender may not demand execution of sentence except under certain circumstances; requiring the board of pardons to meet at least twice each year; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; and 638.04.

Referred to the Committee on Judiciary.

H.F. No. 595: A bill for an act relating to housing; exempting relocated residential buildings from certain provisions of the state building code; amending Minnesota Statutes 1988, sections 16B.61, subdivision 3; and 462.357, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 587, now on the Calendar.

H.F. No. 635: A bill for an act relating to credit unions; providing members with written notice regarding proposed bylaw amendments; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts; amending Minnesota Statutes 1988, sections 52.02, subdivision 1, and by adding a subdivision; 52.17, subdivision 1; and 52.24, subdivisions 1 and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 632, now on General Orders.

H.F. No. 1197: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 5 and 18; 10A.32, subdivision 3a; 13.46, subdivision 2; 13.75, subdivision 2; 16A.26; 16B.28, subdivision 3; 18B.25, subdivision 4; 45.028, subdivision 1; 69.32; 105.81; 115A.195; 115C.08, subdivision 3; 116.44, subdivision 1; 122.23, subdivision 18; 122.96, subdivision 3; 124.646, subdivision 1; 124A.24; 124A.27, subdivision 1; 127.35; 136C.61, subdivision 1; 136D.27, subdivision 3; 136D.71; 136D.74, subdivision 2b; 136D.741, subdivision 4;

136D.87, subdivision 3; 141.35; 144.122; 144.335, subdivision 2; 145A.07, subdivision 1; 145A.13; 157.03; 168.33, subdivision 2; 168A.24, subdivision 2; 168A.29, subdivision 3; 169.345, subdivision 2; 176.081, subdivision 1; 176.101, subdivision 3e; 176.131, subdivision 1; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 211B.15, subdivision 4; 214.01, subdivision 2; 245.77; 256.01, subdivision 2; 256.991; 256B.69, subdivision 16; 256D.03, subdivision 4; 256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.04, subdivision 32; 268.10, subdivision 1; 272.02, subdivision 1; 273.124, subdivision 6; 290.05, subdivision 3; 290.92, subdivision 23; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 308.11; 340A.414, subdivision 6; 349.213, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 363.06, subdivision 4; 383B.229; 383B.77; 383C.331; 383C.334; 469.0721; 469.121, subdivision 1; 469.129, subdivision 1; 471.562, subdivision 4; 471.563; 473.605, subdivision 2; 473.845, subdivision 1; 474A.02, subdivision 18; 480A.02, subdivision 7; 485.018, subdivision 2; 515A.3-115; 525.94, subdivision 3; 548.09, subdivision 2; 604.02, subdivision 1; 609.506, subdivision 1; and 611A.53, subdivision 1; reenacting Minnesota Statutes 1988, section 80A.14, subdivision 18; repealing Minnesota Statutes 1988, sections 260.125, subdivision 6; 326.01, subdivision 21; and 362A.08; amending Laws 1976, chapter 134, section 79; Laws 1988, chapter 640, section 5; and chapter 719, article 12, section 29; repealing Laws 1965, chapter 267, section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapter 2, section 62; chapter 134, section 2; chapter 163, section 10; and chapter 173, section 53; Laws 1977, chapter 35, section 8; Laws 1978, chapter 496, section 1; and chapter 706, section 31; Laws 1979, chapter 48, section 2; and chapter 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapter 242, section 1; chapter 247, section 38; chapter 289, section 4; chapter 290, sections 2 and 3; chapter 299, section 26; and chapter 303, sections 21 and 22; Laws 1984, chapter 654, article 2, section 117; Laws 1986, chapter 312, section 1; chapter 400, section 43; and chapter 452, section 17; Laws 1986, First Special Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapter 268, article 5, section 5; chapter 384, article 2, section 25; chapter 385, section 7; chapter 403, article 5, section 1; and chapter 404, section 138.

Referred to the Committee on Judiciary.

H.F. No. 731: A bill for an act relating to data practices; providing for classification of law enforcement data on child abuse; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; and 626.556, subdivisions 11 and 11c.

Referred to the Committee on Judiciary.

H.F. No. 761: A bill for an act relating to judgments; providing a reasonable exemption for employee benefits; amending Minnesota Statutes 1988, section 550.37, subdivision 24.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 694, now on General Orders.

H.F. No. 837: A bill for an act relating to crimes; prohibiting the concealing of criminal proceeds; prohibiting racketeering; providing civil and criminal penalties for engaging in narcotics and violent offenses as part of an enterprise; authorizing the dissolution of a corporate charter, revocation

of a license, and injunctive relief to prevent criminal activity by an enterprise; authorizing fines of three times the profit gained through racketeering; authorizing criminal forfeiture; amending Minnesota Statutes 1988, section 541.07; proposing coding for new law in Minnesota Statutes, chapters 541 and 609.

Referred to the Committee on Judiciary.

H.F. No. 916: A bill for an act relating to metropolitan government; providing a salary range and specifying responsibilities for the chair of the waste control commission; amending Minnesota Statutes 1988, sections 15A.081, subdivisions 1 and 7; and 473.141, subdivision 3.

Referred to the Committee on Local and Urban Government.

H.F. No. 1405: A bill for an act relating to liquor; requiring notice and hearing before liquor license fees are increased; amending Minnesota Statutes 1988, section 340A.408, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1407, now on General Orders.

H.F. No. 1429: A bill for an act relating to licensure of ambulance services; establishing new standards; amending Minnesota Statutes 1988, sections 144.801, subdivisions 4 and 7; 144.802, subdivisions 3, 3a, 4, and by adding a subdivision; 144.804; 144.806; 144.807, subdivision 1; 144.808; 144.809; and 144.8091; repealing Minnesota Statutes 1988, sections 144.805; 144.807, subdivision 3; and 144.8092.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1002, now on General Orders.

H.F. No. 1069: A bill for an act relating to real property; providing that purchaser's right to cancel applies to condominiums created before August 1, 1980; providing that lien on real estate added in expansion of flexible condominiums does not affect existing condominiums; amending Minnesota Statutes 1988, sections 515A.1-102; and 515A.2-111.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 210, now on General Orders.

H.F. No. 1151: A bill for an act relating to probate; changing procedure for notice to certain creditors; changing certain time limits; amending Minnesota Statutes 1988, sections 524.3-801; 524.3-802; 524.3-803; and 524.3-807.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1034, now on General Orders.

H.F. No. 1357: A bill for an act relating to taxation; liquor; changing the time limit for certain claims for refund; amending Minnesota Statutes 1988, section 297C.06, subdivisions 2 and 5.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 412: A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; changing the kinds of personnel licensed by the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plans; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and

3; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Governmental Operations.

H.F. No. 456: A bill for an act relating to human rights; allowing results of job evaluation systems as evidence in discrimination actions; amending Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997.

Referred to the Committee on Judiciary.

H.F. No. 564: A bill for an act relating to volunteers; providing benefits to certain volunteers injured while performing public service; amending Minnesota Statutes 1988, section 176.011, subdivision 9.

Referred to the Committee on Employment.

### 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. 1356. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 187: A bill for an act relating to manufactured homes; providing for notice and first option to purchase a manufactured home park by the residents; proposing coding for new law in Minnesota Statutes, chapter 327C.

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 1988, section 327C.095, is amended by adding a subdivision to read:

*Subd. 6. [INTENT TO CONVERT USE OF PARK AT TIME OF PURCHASE.] Before the execution of an agreement to purchase a manufactured home park, the purchaser must notify the park owner, in writing, if the purchaser intends to close the manufactured home park or convert it to another use within two years of the execution of the agreement. The park owner shall provide the residents with a written notice of the purchaser's intent to close the park or convert it to another use. The residents shall have 90 days to meet the offered purchase price and to execute an agreement to purchase the park. The notice must be sent by first class mail to each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 90 days after it begins.*

Sec. 2. Minnesota Statutes 1988, section 327C.095, is amended by adding a subdivision to read:

*Subd. 7. [INTENT TO CONVERT USE OF PARK AFTER PURCHASE.] If the purchaser of a manufactured home park decides to convert the park to another use within two years after the purchase of the park, the purchaser must offer the park for purchase by the residents of the park. The purchaser must provide the residents with a written notice of the intent to close the park and the residents shall have 90 days to execute an agreement for the purchase of the park at a price equal to the original purchase price paid by the purchaser plus any documented expenses relating to*

*acquisition, improvements, and appreciation incurred by the purchaser. The notice must be sent by first class mail to each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 90 days after it begins.*

Sec. 3. [327C.096] [NOTICE OF SALE.]

*Before a park owner offers to sell a manufactured home park to the public, the owner must provide 60 days' written notice to the residents of the park that the park will be offered for sale. The notice provided by the park owner to the residents of the park does not create any property rights in the residents. Nothing in this section precludes an owner from offering to sell the park to the residents at any time."*

Delete the title and insert:

"A bill for an act relating to manufactured home parks; providing for notice and right to purchase for conversion or the closing of a park under certain circumstances; amending Minnesota Statutes 1988, section 327C.095, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 327C."

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. 1031: A bill for an act relating to health; establishing notice requirements for emergency medical services personnel who are first responders; providing safeguards for first responders against exposure to infectious diseases; 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, line 20, after "*licensed*" insert "*or certified*"

Page 2, line 4, delete "*reserve*" and insert "*rescue*"

Page 3, lines 10 and 11, delete "*were exposed to blood or grossly contaminated bodily fluids of*" and insert "*may have experienced a significant exposure from*"

Page 3, line 17, after "*occurred*" insert "*. This investigation must be completed*"

Page 3, line 26, before "*confidentiality*" insert "*data practices,*"

Page 4, line 22, after the period, insert "*The right to refuse a blood test under the circumstances described in this section does not apply to a prisoner who is in the custody or under the jurisdiction of the commissioner of corrections.*"

Page 5, line 8, delete everything after "*is*"

Page 5, delete lines 9 and 10 and insert "*, with respect to patients and employees of persons in the private sector, private and confidential information and, with respect to patients and employees of state agencies, statewide systems, or political subdivisions, private data.*"

Page 5, line 23, after "*individual*" insert "*, state agency, statewide*

*system, political subdivision.”*

Page 5, line 24, delete “agency” and insert “person” and after “releasing” insert “private data, or confidential or”

Page 5, line 25, before the period, insert “or employee”

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. 1237: A bill for an act relating to privacy of communications; modifying standards for disclosure of communications by electronic communications services; limiting use of contract personnel; modifying reporting requirements; modifying procedures for the use of pen registers and trap and trace devices; requiring orders for the use of mobile tracking devices; providing for a civil cause of action; removing the sunset on the privacy of communications act; imposing penalties; amending Minnesota Statutes 1988, sections 626A.02, subdivision 3; 626A.04; 626A.06, subdivision 4a; 626A.11, subdivisions 1 and 2; 626A.12, subdivision 1; 626A.17; 626A.35; 626A.36; 626A.37; 626A.38; 626A.39, by adding a subdivision; and 626A.40; proposing coding for new law in Minnesota Statutes, chapter 626A; repealing Minnesota Statutes 1988, sections 626A.12, subdivision 1a; 626A.22; 626A.23; and 626A.24; and Laws 1988, chapter 577, section 62.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, after line 15, insert:

*“Subd. 2a. [EXCEPTION.] The prohibition of subdivision 1 does not apply to the use of a mobile tracking device where the consent of the owner of the object to which the mobile tracking device is to be attached has been obtained.”*

Page 8, line 31, after “identity” insert “or nature” and after “object” insert “or objects”

Page 9, line 3, delete “authorized to install” and insert “responsible for installation” and after “use” insert “of”

Page 12, lines 7 and 16, delete “for” and insert “in the interest of”

Page 12, line 10, delete everything after the first “section”

Page 12, line 11, delete everything before the period

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. 84: A bill for an act relating to watercraft; providing for titling of watercraft; providing for perfection of security interests in watercraft; amending Minnesota Statutes 1988, section 336.9-302; proposing coding for new law as Minnesota Statutes, chapter 361A.

Reports the same back with the recommendation that the bill be amended as follows:



Page 15, delete lines 34 to 36

Page 16, delete lines 1 to 7

Page 16, line 8, delete "Subd. 2. [MISDEMEANOR.]"

Page 21, line 15, after the first "1" insert "to 10, and 12" and after the period, insert "Section 11 is effective January 1, 1991, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "imposing penalties;"

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. 132: A bill for an act relating to certain commercial transactions; adopting an article of the uniform commercial code that governs leases; amending Minnesota Statutes 1986, section 336.1-201; proposing coding for new law in Minnesota Statutes, chapter 336.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 21 and 22, delete "to him or her"

Page 2, line 7, delete "such" and delete "as" and insert "that"

Page 2, line 26, delete "(i)" and insert "(1)"

Page 2, line 27, delete "(ii)" and insert "(2)"

Page 2, line 29, delete "(iii)" and insert "(3)" and after "either" insert "(i)"

Page 2, lines 31 and 33, after "goods" insert "or a disclaimer statement"

Page 2, line 32, after "or" insert "(ii)"

Page 2, line 34, after the period, insert "*“Disclaimer statement” means a written statement that is part of or separate from the lease contract that discloses all warranties and other rights provided to the lessee by the lessor and supplier in connection with the lease contract and informs the lessee in a conspicuous manner that there are no warranties or other rights provided to the lessee by the lessor and supplier other than those disclosed in the statement.*"

Page 3, lines 34 and 35, delete "to him or her"

Page 6, line 19, delete "therein" and insert "in the statute"

Page 6, line 30, delete "thereafter" and insert "after that"

Page 6, line 35, after "the" insert "lessee signed the lease or in which the"

Page 7, line 1, delete "thereafter" and insert "after that"

Page 7, line 30, delete "thereof"

Page 7, line 34, delete "shall" and insert "may"

Page 7, line 36, delete "and the"

Page 8, delete lines 1 and 2

Page 8, line 3, delete "*reasonable attorney's fees*" and insert ", *the court may make an award under section 549.21*"

Page 8, line 9, delete "(1)" and delete "*his or her*" and insert "*the party's*"

Page 8, lines 11, 13, and 14, delete "*he or she*" and insert "*the party*"

Page 8, line 12, delete "*himself or herself*" and insert "*self*"

Page 8, delete lines 16 to 20

Page 9, line 35, delete "*such*" and insert "*the included*" and delete "*as are included therein*"

Page 10, line 30, delete "*such*"

Page 11, line 32, delete "*such a*" and insert "*this*"

Page 12, lines 16 and 20, delete "*therefrom*" and insert "*from the supply contract*"

Page 14, line 1, delete "*such as*" and insert "*goods that*"

Page 16, line 13, delete everything after "*limited*"

Page 16, line 14, delete "*whom the warranty extends*"

Page 18, line 14, delete "*he or she*" and insert "*the lessee*"

Page 18, lines 15 and 35, delete "*his or her*" and insert "*the lessee's*"

Page 18, line 22, delete "*his or her*" and insert "*the lessor's or supplier's*"

Page 19, line 1, delete "*that is not a consumer lease*"

Page 19, line 36, delete "*he or she*" and insert "*the transferee*"

Page 20, line 3, delete "*he or she*" and insert "*the transferee*"

Page 20, line 20, delete "*him or her*" and insert "*the assignee*"

Page 20, line 29, delete "*his or her*" and insert "*the assignor's*"

Page 21, delete lines 19 to 26 and insert:

"(2) *If a lessee has entrusted leased goods to the lessee's lessor who is a merchant dealing in goods of that kind, a subsequent lessee from that lessor under a lease entered into after the entrustment and in the ordinary course of business takes those goods free of the existing lease contract and obtains, to the extent of the leasehold interest transferred, all of the lessor's and the earlier lessee's rights to the goods.*"

Page 22, line 29, delete "*his or her*" and insert "*the person's*"

Page 25, line 15, delete "*thereafter*" and insert "*after that*"

Page 26, line 23, after "*may*" insert a colon

Page 26, lines 26 and 27, delete "*his or her*" and insert "*the lessor's or lessee's*"

Page 26, line 27, delete the comma and insert a semicolon

Page 26, line 30, delete "*he or she*" and insert "*the lessor or lessee*"

Page 27, line 21, delete "*such*" and insert "*the*"

- Page 27, line 36, after “*may*” insert a colon
- Page 28, line 4, delete “*his or her*” and insert “*the lessor's or lessee's*” and delete the comma and insert a semicolon
- Page 28, line 6, delete “*he or she*” and insert “*the lessor or lessee*”
- Page 28, line 26, delete “*he or she*” and insert “*the insecure party*”
- Page 29, line 16, before “*In*” insert paragraph coding
- Page 29, line 17, delete “*foregoing*” and after “*remedies*” insert “*in this section*”
- Page 30, lines 33 and 34, delete “*he or she*” and insert “*the lessor or supplier*”
- Page 30, line 34, delete “*his or her*” and insert “*the lessor's or supplier's*”
- Page 30, line 35, delete “*at his or her option*”
- Page 30, line 36, delete “*his or her*”
- Page 31, line 1, delete “*own*” and insert “*other*” and delete “*He or she*” and insert “*The lessor or supplier*”
- Page 31, line 7, delete “*thus*”
- Page 31, line 17, delete “*that is not a consumer lease*”
- Page 31, line 26, before “2A-407.” insert “Sec.”
- Page 31, lines 28 and 29, delete “*that is not a consumer lease*”
- Page 32, line 26, delete “*his or her*” and insert “*the party's*”
- Page 33, lines 29 and 30, delete “*such*” and insert “*the*”
- Page 33, line 36, delete “*his or her*” and insert “*the lessee's*”
- Page 35, lines 3 and 4, delete “*By the original lease contract*” and insert “*If the lease contract is not a consumer lease,*”
- Page 35, line 5, before the period, insert “*in the original lease contract*”
- Page 35, line 12, delete “*, whichever is later*”
- Page 36, line 8, delete “*he or she*” and insert “*the party*”
- Page 36, line 27, after “*may*” insert “*pursue any or all of the following remedies*”
- Page 38, line 21, delete “*his or her*” and insert “*the lessee's*”
- Page 38, line 30, delete “*he or she*” and insert “*the lessee*”
- Page 38, line 34, delete “*such*” and insert “*a*”
- Page 39, line 2, delete “*hereunder*”
- Page 40, line 5, delete “*he or she*” and insert “*the lessor or supplier*”
- Page 41, lines 26 and 30, delete “*he or she*” and insert “*the lessor or supplier*”
- Page 41, line 27, delete “*him or her*” and insert “*the lessor or supplier*”
- Page 42, line 10, delete “*he or she*” and insert “*the lessee*”
- Page 45, line 25, after “*may*” insert “*pursue any or all of the following*”

*remedies”*

Page 47, line 15, delete “*such*”

Page 47, line 33, delete “*thereof*”

Page 48, lines 5 and 6, delete “*default*” and insert “*the start of the term of the new lease agreement*”

Page 49, line 1, delete “*of default*” and insert “*the lessor obtained possession of the goods or an earlier date when the lessee made an effective tender of possession of the goods back to the lessor*”

Page 49, line 2, delete “*of default*” and insert “*determined under paragraph (a)*”

Page 49, line 3, before “*remaining*” insert “*then*”

Page 49, line 4, after “*time*” insert “*determined under paragraph (a),*”

Page 49, lines 22, 23, 31, and 32, delete “*default*” and insert “*entry of judgment in favor of the lessor*”

Page 49, lines 24 and 32, before “*remaining*” insert “*then*”

Page 51, lines 5 and 6, delete “*his or her*” and insert “*the party plaintiffs*”

Page 51, after line 17, insert:

“Section 1. Minnesota Statutes 1988, section 168A.17, is amended by adding a subdivision to read:

*Subd. 1a. [LEASES THAT ARE NOT SALES OR SECURITY INTERESTS.] A motor vehicle lease does not create a security interest merely because it provides that the rental price is permitted or required to be adjusted under the agreement by reference to the amount realized upon sale or other disposition of the motor vehicle. In the case of a lease agreement with respect to a vehicle or trailer, other than a vehicle or trailer used primarily for personal, family, or household purposes, the determination whether the lease agreement constitutes a lease and does not create a conditional sale or security interest shall be governed by the stated intent of the parties set forth in the lease agreement, unless the substance of the lease agreement is inconsistent with the stated intent.”*

Page 51, line 18, delete “1986” and insert “1988”

Page 52, line 8, delete “1986” and insert “1988”

Page 60, line 11, delete “1986” and insert “1988”

Renumber the sections of article 2 in sequence

Page 60, after line 28, insert:

### “ARTICLE 3

Section 1. [EFFECTIVE DATE; APPLICATION.]

*This act is effective January 1, 1990, and applies to lease contracts that first become effective on or after that date. This act does not apply to a lease contract that first became effective before January 1, 1990, or to an extension, amendment, modification, renewal, or supplement of or to the lease contract, unless the parties agree in writing to be governed by this act.”*

Amend the title as follows:

Page 1, lines 4 and 5, delete "amending Minnesota Statutes 1986, section 336.1-201" and insert "providing the conditions for the determination of the existence of certain vehicle leases; amending Minnesota Statutes 1988, sections 168A.17, by adding a subdivision; 336.1-105; 336.1-201; and 336.9-113"

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. 1150: A bill for an act relating to creditors remedies; regulating executions and garnishments; amending Minnesota Statutes 1988, section 550.142; proposing coding for new law in Minnesota Statutes, chapters 550 and 557; proposing coding for new law as Minnesota Statutes, chapter 551; repealing Minnesota Statutes 1988, sections 550.041; 550.05; 550.14; 550.141; 571.41; 571.42; 571.43; 571.44; 571.45; 571.46; 571.471; 571.495; 571.50; 571.51; 571.52; 571.53; 571.54; 571.55; 571.56; 571.57; 571.58; 571.59; 571.60; 571.61; 571.62; 571.63; 571.64; 571.65; 571.66; 571.67; 571.68; and 571.69.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, lines 34 and 35, delete "\$5" and insert "\$15"

Page 3, line 35, after the period, insert "*Failure to pay the fee renders the levy void, and the third party shall take no action.*"

Page 4, line 3, delete "\$5" and insert "\$15"

Page 8, line 35, before "The" insert "*Unless the judgment is for child support,*"

Page 9, after line 15, insert:

*"If the judgment is for child support, the levy may not exceed:*

*(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;*

*(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);*

*(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or*

*(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)."*

Page 9, line 19, after "chapter" insert "*or section 518.611, subdivision 6*"

Page 17, line 7, delete "garnishee" and insert "*third party/employer*"

Page 19, after line 6, insert:

*"Subd. 10. [EXECUTION EARNINGS DISCLOSURE FORM AND WORKSHEET FOR CHILD SUPPORT JUDGMENTS.] The judgment*

creditor shall provide to the sheriff for service upon a child support judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF . . . . .

. . . . . JUDICIAL DISTRICT  
FILE NO. . . . .

. . . . . (Judgment Creditor)

against

EARNINGS  
EXECUTION  
DISCLOSURE

. . . . . (Judgment Debtor)

and

. . . . . (Third Party)

**DEFINITIONS**

**"EARNINGS"**: For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment compensation.

**"DISPOSABLE EARNINGS"**: Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

**"PAYDAY"**: For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

**THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTION:**

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

Yes

No

**INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE**

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the sheriff within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE

**EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.**

*Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.*

*You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 70-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.*

*For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.*

*(2) COLUMN A. Enter the date of judgment debtor's payday.*

*(3) COLUMN B. Enter judgment debtor's gross earnings for each payday.*

*(4) COLUMN C. Enter judgment debtor's disposable earnings for each payday.*

*(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:*

*(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;*

*(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);*

*(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or*

*(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)*

*(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.*

*(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the judgment debtor within ten days prior to your receipt of the execution levy is void.)*

*You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.*

*Enter zero in column F if there are no claims by you or others that would*





G  
Column E  
minus  
Column F

- 1. ....
- 2. ....
- 3. ....
- 4. ....
- 5. ....
- 6. ....
- 7. ....
- 8. ....
- 9. ....
- 10. ....

TOTAL OF COLUMN G \$. ....

*\*If you entered any amount in column F for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.*

.....  
.....  
.....

**AFFIRMATION**

*I, ..... (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.*

.....  
Signature

Dated: ..... ( ..... ) .....  
Title Phone Number"

Page 19, line 7, delete "10" and insert "11"

Page 19, line 12, delete "11" and insert "12"

Page 19, line 31, delete "12" and insert "13"

Page 30, lines 5 and 7, delete "financial institution" and insert "sheriff"

Page 36, lines 8 and 9, delete "\$5" and insert "\$15"

Page 36, line 9, after the period, insert "Failure to pay the fee renders the levy void, and the third party shall take no action."

Page 50, line 14, before "The" insert "Unless the judgment is for child support,"

Page 50, after line 30, insert:

*"If the judgment is for child support, the levy may not exceed:*

*(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;*

*(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over*

12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)."

Page 50, line 34, after "chapter" insert "or section 518.611, subdivision 6"

Page 61, after line 35, insert:

"Subd. 10. [NOTICE OF LEVY ON EARNINGS, DISCLOSURE, AND WORKSHEET FOR CHILD SUPPORT JUDGMENT.] The attorney for the judgment creditor shall serve upon the judgment debtor's employer a notice of levy on earnings and an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA  
COUNTY OF . . . . .

DISTRICT COURT  
. . . . . JUDICIAL DISTRICT  
FILE NO. . . . .

. . . . . (Judgment Creditor)  
against

NOTICE OF LEVY ON  
EARNINGS AND DISCLOSURE

. . . . . (Judgment Debtor)  
and

. . . . . (Third Party)

PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, sections 551.04 and 551.06, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all earnings due and owing by you (up to \$5,000) to the judgment debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is \$ . . . . .

This levy attaches all unpaid nonexempt disposable earnings owing or to be owed by you and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 70 days after the service of this levy.

In responding to this levy, you are to complete the attached disclosure form and worksheet and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above-named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in the aforementioned statutes.

. . . . .  
Attorney for the Judgment Creditor

. . . . .  
Address

. . . . .  
. . . . .



*judgment debtor within ten days after the last payday that falls within the 70-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.*

*For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.*

*(2) COLUMN A. Enter the date of judgment debtor's payday.*

*(3) COLUMN B. Enter judgment debtor's gross earnings for each payday.*

*(4) COLUMN C. Enter judgment debtor's disposable earnings for each payday.*

*(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:*

*(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;*

*(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);*

*(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or*

*(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)*

*(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.*

*(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the judgment debtor within ten days prior to your receipt of the execution levy is void.)*

*You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.*

*Enter zero in column F if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.*

*(8) COLUMN G. Subtract the amount in column F from the amount in column E and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.*

**AFFIRMATION**

*I, . . . . ., (person signing Affirmation) am the third party/ employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my*

knowledge.

Dated: . . . . .

Signature

Title

Telephone Number

**EARNINGS DISCLOSURE WORKSHEET**

Debtor's Name

**A**  
Payday  
Date

**B**  
Gross  
Earnings

**C**  
Disposable  
Earnings

- 1. . . . .
- 2. . . . .
- 3. . . . .
- 4. . . . .
- 5. . . . .
- 6. . . . .
- 7. . . . .
- 8. . . . .
- 9. . . . .
- 10. . . . .

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- . . . . .

**D**  
Either 50, 55,  
60, or 65% of  
Column C

**E**  
Column C  
minus  
Column D

**F**  
Setoff, Lien,  
Adverse  
Interest, or  
Other Claims

- 1. . . . .
- 2. . . . .
- 3. . . . .
- 4. . . . .
- 5. . . . .
- 6. . . . .
- 7. . . . .
- 8. . . . .
- 9. . . . .
- 10. . . . .

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- . . . . .
- . . . . .

**G**  
Column E  
minus  
Column F

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

- . . . . .
- . . . . .
- . . . . .
- . . . . .
- . . . . .
- . . . . .



do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

**"PAYDAY"**: For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

**THE GARNISHEE MUST ANSWER THE FOLLOWING QUESTION:**

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the debtor for earnings?

.....  
Yes

.....  
No

**INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE**

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 70-day period. If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 70-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of debtor's payday.

(3) COLUMN B. Enter debtor's gross earnings for each payday.

(4) COLUMN C. Enter debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(b) 55 percent of the judgment debtor's disposable income, if the judgment

debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the debtor within ten days prior to your receipt of the execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(8) COLUMN G. Subtract the amount in column F from the amount in column E and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

**AFFIRMATION**

I, . . . . ., (person signing Affirmation) am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated: . . . . .

. . . . .  
Signature

. . . . .  
Title

. . . . .  
Telephone Number

**EARNINGS DISCLOSURE WORKSHEET**

. . . . .  
Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1. . . . .	\$ . . . . .	\$ . . . . .
2. . . . .	. . . . .	. . . . .
3. . . . .	. . . . .	. . . . .
4. . . . .	. . . . .	. . . . .
5. . . . .	. . . . .	. . . . .
6. . . . .	. . . . .	. . . . .



7.....	.....	.....
8.....	.....	.....
9.....	.....	.....
10.....	.....	.....

**D**  
Either 50, 55,  
60, or 65% of  
Column C

**E**  
Column C  
minus  
Column D

**F**  
Setoff, Lien,  
Adverse  
Interest, or  
Other Claims

1.....	.....	.....
2.....	.....	.....
3.....	.....	.....
4.....	.....	.....
5.....	.....	.....
6.....	.....	.....
7.....	.....	.....
8.....	.....	.....
9.....	.....	.....
10.....	.....	.....

**G**  
Column E  
minus  
Column F

1.....	.....
2.....	.....
3.....	.....
4.....	.....
5.....	.....
6.....	.....
7.....	.....
8.....	.....
9.....	.....
10.....	.....

**TOTAL OF COLUMN G \$** .....

*\*If you entered any amount in column F for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.*

.....  
.....  
.....

**AFFIRMATION**

*I, ..... (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.*

.....  
*Signature*

*Dated:* ..... ( ..... ) .....

## Title

## Phone Number"

Page 83, line 24, delete "\$5" and insert "\$15"

Page 83, line 25, after the period, insert "*Failure to pay the fee renders the garnishment void, and the garnishee shall take no action.*"

Page 86, line 23, before the comma, insert "*or in section 518.611, subdivision 6*"

Page 98, line 10, before the first "The" insert "*Unless the judgment is for child support,*"

Page 98, after line 24, insert:

*"If the judgment is for child support, the garnishment may not exceed:*

*(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;*

*(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received);*

*(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or*

*(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received)."*

Page 98, line 28, after "chapter" insert "*or section 518.611, subdivision 6*"

Page 107, line 8, delete "is" and insert "*may be*"

Page 109, line 12, delete "is" and insert "*may be*"

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. 1358: A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; establishing a state advisory council on metropolitan airport planning; proposing coding for new law in Minnesota Statutes, chapter 473.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [473.155] [AVIATION PLANNING.]

*Subdivision 1. [AVIATION PLANNING ASSESSMENT.] By February 15 of each year, the council shall prepare a long-range assessment of air transportation trends and factors that may affect major airport development in the metropolitan area for a prospective 30-year period. The council shall involve the airports commission in preparing the assessment and*

*shall take into consideration the airport development and operations plans and activities of the commission.*

*Subd. 2. [AVIATION PLAN.] By February 1, 1990, the council shall amend the aviation chapter of the metropolitan development guide to incorporate policies and strategies that will ensure a comprehensive, coordinated, continuing, thorough, and timely investigation and evaluation of alternatives for major airport development in the metropolitan area for a prospective 30-year period. The alternatives to be examined must include both the airport improvements and enhancements of capacity that may be necessary at the existing airport and the location and development of a new airport.*

*Subd. 3. [SEARCH AREA.] By January 1, 1992, the council, in consultation with the airports commission, shall designate an area within or in the area surrounding the metropolitan area as a search area for a major new airport.*

*Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by section 3, subdivision 3, and section 4 are completed, the council shall report to the legislature by February 15 of each year on the results of the aviation planning activities of the council under this section. The report must include a summary of expenditures and sources of funding for the activities.*

*(b) By February 1, 1990, the council shall report to the legislature recommending methods and legislative actions that would be necessary to protect a new airport search area from conflicting development, to protect and control development on land at and around a site for a major new airport, and to inhibit land speculation and reduce incentives for land speculation in the airport and all surrounding areas.*

*(c) By March 1, 1990, after consulting with the airports commission, the Federal Aviation Administration, industry representatives, and other persons, the council shall report to the legislature on assumptions and methods that will be used by the council to forecast demand related to the need for major airport facilities in the metropolitan area for a prospective 30-year period.*

*(d) By March 1, 1990, the council shall report to the legislature analyzing and making recommendations on long-range aviation goals for the major airport facility in the metropolitan area for a prospective 30-year period. The report must address goals for safety, environmental impact, and service, including ground access and service levels to other states and countries and to nonmetropolitan areas of the state. In preparing the report, the council shall consider regional growth patterns, economic development, economic impact, regional and statewide investment, and ground transportation.*

*(e) By February 1, 1991, the council shall report to the legislature on the general availability of suitable land in or in the area surrounding the metropolitan area for a new airport. If the council finds that sufficient land may not be available in the area, the council shall describe the legal and institutional changes that would be required to extend the search for a suitable site beyond the area in or around the metropolitan area.*

*(f) By January 1, 1993, the council shall report to the legislature on policies for the reuse of the existing major airport site should a new major airport be developed.*

Sec. 2. Minnesota Statutes 1988, section 473.604, subdivision 1, is amended to read:

Subdivision 1. The commission consists of:

(1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(2) a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment; ~~and~~

*(3) four members appointed from outside of the metropolitan area to reflect fairly the various regions and interests throughout the state that are affected by the operation of the commission's major airport and airport system. Two of these members must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as a key airport. The other two must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as an intermediate airport. The members must be appointed by the governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. All of the terms start on July 1, 1989. The successors of each member must be appointed to four-year terms commencing on July 1 of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult each member of the legislature representing the municipality or county from which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and*

(4) a chair appointed by the governor for a term of four years. The chair may be removed at the pleasure of the governor.

Sec. 3. [473.616] [COMPREHENSIVE AIRPORT PLANNING.]

*Subdivision 1. [WOLD-CHAMBERLAIN PLAN.] (a) By January 1, 1991, the commission shall adopt a long-term comprehensive plan for the international airport at its existing location. The plan must describe:*

*(1) aviation demand and air transportation needs;*

*(2) airport capacity limits and potential;*

*(3) facilities requirements;*

*(4) a plan for physical development, including financial estimates and a tentative development schedule;*

*(5) airport operational characteristics;*

- (6) compatibility with metropolitan and local physical facility systems;
- (7) environmental effects;
- (8) safety; and
- (9) the effect on the neighboring communities.

*The plan must satisfy the air transportation needs for a prospective 20-year period. At the same time, the commission shall adopt a concept plan for the airport, including an estimate of facilities requirements, to satisfy the air transportation needs for an additional ten-year period. The plans must be consistent with the development guide of the council. The plans must be updated at least every five years. The plans must be amended as necessary to reflect changes in trends and conditions, facilities requirements, and development plans and schedules. The plans are subject to sections 473.165 and 473.611.*

*(b) Until January 1, 1996, or until the commission has completed the activities required by subdivision 3 and section 4, whichever occurs first, the commission may construct a new runway or a new, substantially expanded, or relocated terminal facility if the commission determines that construction of the runway or facility is necessary and prudent, considering the economic, financial, environmental, and other costs and benefits of the new runway or facility, the current and long-term future need for major airport facilities, capacity constraints, and the time required to construct airport facilities. The commission shall make its determination by resolution, containing findings of fact and conclusions. Before making its determination, the commission shall hold a public hearing on the question. The hearing may be held separately or in conjunction with any other hearing required on the project, as the commission deems appropriate. The commission may plan, prepare designs and specifications, and conduct an environmental review of a facility before the public hearing.*

*Subd. 2. [NEW AIRPORT; CONCEPTUAL DESIGN STUDY AND PLAN.] By March 1, 1990, the commission, in consultation with the council, shall complete a study of facilities requirements, airport functioning, and conceptual design for a major new airport. By January 1, 1991, the commission shall complete a conceptual design plan for a major new airport. The conceptual design study and plan must describe and satisfy air transportation needs for a prospective 30-year period and be consistent with the development guide of the council. The conceptual design plan must include an analysis of estimated costs, potential financing methods and sources of public and private funding, and cost allocation issues and options. The council shall use the design study and plan in evaluating areas for locating a new airport under section 1, subdivision 3.*

*Subd. 3. [NEW AIRPORT; SITE SELECTION; COMPREHENSIVE PLAN.] Within four years following the council's designation of a search area under section 1, the commission shall: (1) select a site for a major new airport in the search area designated by the council; (2) prepare a comprehensive plan and schedule, including financial plans, for the development of a major airport at that site for a prospective 20-year period following a decision to develop a new airport; (3) prepare an estimate of facilities requirements and a concept plan for development of the airport for an additional ten years; and (4) prepare and submit for administrative review the environmental documents that are required for site acquisition.*

*Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by subdivision 3 and section 4 are completed, the commission shall report to the legislature by February 15 of each year on the results of the airport planning activities of the commission under this section. The report must include a summary of expenditures and sources of funding for the activities.*

*(b) By March 1, 1990, after consulting with the council, the Federal Aviation Administration, industry representatives, and other persons, the commission shall report to the legislature on the assumptions and methods that the commission will use in preparing forecasts for airport development and operations purposes and for determining capacity and facility needs.*

*(c) By March 1, 1990, the commission shall report to the legislature on the integration of major airport facilities in the metropolitan area with state, national, and international air transportation systems and on the commission's planning assumptions and parameters related to such airport development issues as capacity, safety, environmental impact, and air service.*

*(d) By March 1, 1990, the commission shall report to the legislature on the conceptual design study for a major new airport, prepared under subdivision 2. By January 1, 1991, the commission shall report to the legislature on the conceptual design plan prepared under subdivision 2.*

**Sec. 4. [473.618] [AIRPORT PLANNING AND DEVELOPMENT REPORT.]**

*Within 180 days after the completion of the actions required by section 3, subdivision 3, the metropolitan council and the airports commission shall report to the legislature on the long-range planning and development of major airport facilities in the metropolitan area. The report must include the recommendations of the agencies on major airport development in the metropolitan area for a prospective 30-year period and on acquiring a site for a major new airport. The report must include an analysis of the effect of a new airport on present and proposed facilities at the existing airport and on the local, regional, and state economies. The report must contain the recommendations of the agencies on financial planning and financing for a major new airport, including: cost; cost allocation; amortization of major improvements at the existing airport before a transfer of operations; financing methods and sources of public and private funds; lease agreements and user charges at a new airport; and a method of capturing for public uses a portion of the revenue from development around a new airport.*

**Sec. 5. [473.619] [PLANNING ADMINISTRATION.]**

*Subdivision 1. [INTERAGENCY AGREEMENT.] The metropolitan council and the airports commission shall enter into an intergovernmental agreement by July 1, 1989. The agreement must establish a process and agency responsibilities for comprehensive and coordinated planning for major airport development, consistent with the requirements of this section and sections 1 to 4. The agreement must establish a joint committee composed of board members of the two agencies to oversee implementation of the agreement.*

*Subd. 2. [SCOPE OF WORK REPORT.] By September 1, 1989, the metropolitan council and the airports commission shall prepare a scope of work report that describes the general scope and schedule of work and the topics to be addressed in the planning and study tasks required of the agencies under sections 1 to 4.*

*Subd. 3. [FEDERAL PARTICIPATION.] The metropolitan council and the airports commission shall make use of available federal funding for their activities under sections 1 to 4.*

*Subd. 4. [CONSULTATION.] The metropolitan council and the airports commission shall prepare the plans and reports under sections 1 to 4 in consultation with each other, the commissioner of transportation, the Federal Aviation Administration, industry representatives, and other interested persons.*

*Subd. 5. [COMMENCEMENT.] In order to meet the planning deadlines prescribed in sections 1 to 4, the agencies may begin preparing plans and studies immediately, without waiting for the completion of the interagency agreement or the completion and review of the scope of work report.*

Sec. 6. Minnesota Statutes 1988, section 473.621, subdivision 1a, is amended to read:

*Subd. 1a. [RELATIONSHIP TO LEGISLATURE.] The commission shall be held accountable to the legislature in its activities, plans, policies, and programs. It shall report each session to appropriate committees of the legislature as to its activities, plans, policies, and programs and shall make other reports and recommendations which the legislature or its committees deem appropriate. ~~The commission shall adopt a long-term comprehensive plan for the Minneapolis-St. Paul International Airport. The plan must describe, in the degree of detail that the commission deems appropriate for at least a prospective ten-year period, the following:~~*

- (1) aviation demand;*
- (2) airport capacity, including environmental, runway, terminal, and other factors relevant to capacity;*
- (3) a plan and financial estimates for physical development;*
- (4) airport operational characteristics;*
- (5) compatibility with the capacity of metropolitan and local physical facility systems;*
- (6) environmental effects; and*
- (7) the effect on the neighboring communities.*

*The plan must be submitted to the legislature by December 31, 1988, and be updated at least every five years thereafter. The plan is subject to sections 473.165 and 473.611.*

Sec. 7. [STATE ADVISORY COUNCIL.]

*Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state of Minnesota advisory council on metropolitan airport planning is established to provide a forum at the state level for education, discussion, and advice to the legislature on the reports prepared for the legislature by the metropolitan council and metropolitan airports commission. The creation of this advisory council does not affect the existing reporting relationship of the commission and council to the legislature.*

*Subd. 2. [AUTHORITY; DUTIES.] (a) The advisory council shall review and comment to the legislature on the scope of work report required by section 5, subdivision 2.*

*(b) The advisory council shall review and comment to the legislature on the reports to the legislature required by sections 1, subdivision 4; 3, subdivision 4; and 4.*

*(c) The advisory council may conduct public meetings on the reports to inform the public and solicit opinion.*

*(d) The advisory council may request interim briefings on work in progress.*

*Subd. 3. [MEMBERSHIP.] The members of the advisory council are:*

*(1) six legislators, three members of the senate and three members of the house of representatives, appointed by the customary appointing authority of each house;*

*(2) the commissioners of transportation, state planning, the pollution control agency, and trade and economic development, or their designees;*

*(3) two metropolitan council members, appointed by the metropolitan council, at least one from a district directly affected by the international airport;*

*(4) two members of the metropolitan airports commission, appointed by the airports commission, at least one from a district directly affected by the international airport;*

*(5) two representatives of the aviation industry, appointed by the metropolitan council;*

*(6) four persons who are not eligible for selection under other clauses appointed as follows: two persons appointed by the customary appointing authority of each house of the legislature, one from the metropolitan area and the other from elsewhere in the state; and*

*(7) a representative of the Federal Aviation Administration and persons representing members of Congress from the state, serving ex officio.*

*Members serve at the pleasure of the appointing authority.*

*Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as a co-chair of the advisory council.*

*Subd. 5. [ADMINISTRATION.] On the request of the advisory council, legislative staff offices and the state and metropolitan agencies represented on the advisory council shall provide administrative and staff assistance.*

*Subd. 6. [TERMINATION.] The advisory council ceases to exist when the actions required by sections 3, subdivision 3; and 4 are completed.*

**Sec. 8. [AIRLAKE AIRPORT.]**

*The metropolitan airports commission shall conduct a study on the social and environmental effects of the expansion of a runway at the Airlake airport and report to the legislature by January 1, 1991, on the results of the study. The commission's study shall afford the airport users, general public, and local government officials in the vicinity of the Airlake airport an opportunity to provide input on the effect of a runway expansion on their community. No expansion of a runway at the Airlake airport may be commenced until the legislature has had at least 90 days to review the study and had an opportunity to place appropriate conditions or restrictions on a proposed runway expansion to ensure that any significant environmental or social concerns cited in the study are met.*



## Sec. 9. [COMPLIANCE WITH OTHER LAWS.]

*Nothing in sections 1 to 8 relieves the commission or the council of any duties or responsibilities otherwise imposed by law."*

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "providing for a study on the effects of a runway expansion at Airlake airport;"

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1368: A bill for an act relating to education; vocational; clarifying powers and duties of the state board and state director of vocational technical education; making technical corrections; amending Minnesota Statutes 1988, sections 136C.04, subdivisions 1, 2, 6, 9, 10, 18, and by adding subdivisions; 136C.042, subdivision 2; 136C.05, by adding subdivisions; 136C.07, subdivision 4; 136C.08, subdivision 1; 136C.42, subdivision 1; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a and 1b; 354A.091, subdivision 1a; and 355.46, subdivision 3; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136C.21; 136C.211; 136C.212; 136.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, and 7; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29, subdivisions 3, 4, and 5; and 136C.33, subdivisions 1 and 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 1988, section 121.93, subdivision 2, is amended to read:

Subd. 2. "District" means a school district, an educational cooperative service unit, a cooperative center for *secondary* vocational education, a cooperative center for special education, a ~~technical institute~~, or an intermediate service area.

Sec. 2. Minnesota Statutes 1988, section 121.93, subdivision 3, is amended to read:

Subd. 3. "ESV-IS" or "elementary, secondary, and *secondary* vocational education management information system" means that component of the statewide elementary, secondary, and *secondary* vocational education management information system which provides administrative data processing and management information services to districts.

Sec. 3. Minnesota Statutes 1988, section 121.93, subdivision 4, is amended to read:

Subd. 4. "SDE-IS" or "state department of education information system" means that component of the statewide elementary, secondary, and *secondary* vocational education management information system which provides data processing and management information services to the department of education.

Sec. 4. Minnesota Statutes 1988, section 136C.04, subdivision 1, is

amended to read:

Subdivision 1. [GENERAL.] The state board shall possess all powers necessary and incident to the management, jurisdiction, and governance of post-secondary vocational education. These powers shall include, but are not limited to, those enumerated in this section. *The state board may adopt policies as necessary to perform its duties.*

Sec. 5. Minnesota Statutes 1988, section 136C.04, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT OF STATE DIRECTOR.] The state board shall appoint a state director of vocational technical education who shall serve in the unclassified service. The state director shall be qualified by training and experience in the field of education, vocational education, or administration. The state director shall possess powers and perform duties as delegated by the state board. The state board shall set the salary of the state director. ~~The state director may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The provisions of chapter 16A shall not apply to these expenditures, but the state board shall prescribe the manner, amount, and purpose of the expenditures and report to the legislature on the expenditures by December 4 of each even-numbered year.~~

Sec. 6. Minnesota Statutes 1988, section 136C.04, subdivision 6, is amended to read:

Subd. 6. [ACCOUNTING AND REPORTING STANDARDS.] The state board shall maintain the uniform financial accounting and reporting system according to the provisions of sections 121.90 to 121.917, *except that reports required by section 121.908 shall be submitted to the state board on dates determined by the state board. However, all expenditures and revenue related to summer session credit courses shall be recognized in the fiscal year in which the course begins.*

Sec. 7. Minnesota Statutes 1988, section 136C.04, subdivision 9, is amended to read:

Subd. 9. [LICENSURE.] The state board may promulgate rules, according to the provisions of chapter 14, for licensure of teaching, support, and supervisory personnel in post-secondary and adult vocational education. The state board may adopt emergency licensure rules, according to sections 14.29 to 14.36, when necessary for continuous programs approved by the board and when the board determines that appropriate licensure standards do not exist. *The time limits in section 14.29 do not apply to emergency licensure rules. The state board may establish a processing fee for the issuance, renewal, or extension of a license.*

Sec. 8. Minnesota Statutes 1988, section 136C.04, subdivision 10, is amended to read:

Subd. 10. [ALLOCATION.] The state board shall allocate state and federal money for post-secondary vocational education. Money received from federal sources, other than as provided in this chapter, and money received from other sources, not including the state, shall not be taken into account in determining appropriations or allocations. *The state board shall take into consideration the unreserved fund balances of each technical institute.*

Sec. 9. Minnesota Statutes 1988, section 136C.04, subdivision 18, is

amended to read:

Subd. 18. [COMPUTER SALES AND MAINTENANCE.] The state board of vocational technical education *or a school board* may sell computers and related products to ~~its~~ *technical institute* staff and *technical institute* 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. 10. Minnesota Statutes 1988, section 136C.042, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] Associate degrees offered by the ~~area vocational~~ technical institutes prior to January 1, 1981, shall not be subject to the provisions of subdivision 1.

Sec. 11. Minnesota Statutes 1988, section 136C.05, is amended by adding a subdivision to read:

Subd. 5. [USE OF PROPERTY.] *A school board may not sell, lease, construct, or permit construction of facilities on property purchased and designated for technical institute purposes since January 1, 1980, without the approval of the state board. Any denial must be in writing and reasons given. The state board may deny the board action only if the state board finds that such a denial benefits the state technical institute system. A school board shall notify the state board when property or a facility designated for a technical institute is used for a purpose other than technical institute activities. Notification of incidental uses and uses for integrated secondary and post-secondary vocational instruction is not required.*

Sec. 12. Minnesota Statutes 1988, section 136C.05, is amended by adding a subdivision to read:

Subd. 6. [ACCOUNTING.] *The school board shall maintain, in accordance with section 136C.04, subdivision 6, separate revenue, expenditure, asset, and liability accounts for technical institutes within funds separate from all other district funds.*

Sec. 13. Minnesota Statutes 1988, section 136C.07, subdivision 4, is amended to read:

Subd. 4. ~~If the petition is approved, the school shall be established by the district and classified by the state board as a technical institute and conducted under the general supervision of the state board in accordance with the policy and rules of the state board. Notwithstanding the provisions of subdivision 3 and of this subdivision, after June 30, 1975, no area vocational~~ *A technical school institute shall be established unless only by specific legislation has authorized its establishment legislative act.*

Sec. 14. Minnesota Statutes 1988, section 136C.075, is amended to read:

136C.075 [COMPENSATION FOR PERFORMANCE EVALUATIONS BY STATE EMPLOYEES.]

Notwithstanding any law to the contrary, a state employee who is asked by the ~~department of education~~ *state board* to undertake a performance evaluation of a technical institute may be compensated at the rate provided for in section 15.059.

To be eligible for compensation under this section, a state employee must take an unpaid leave of absence for the period of time the employee performs

the evaluation.

Sec. 15. Minnesota Statutes 1988, section 136C.08, subdivision 1, is amended to read:

Subdivision 1. ~~Any A school board or joint school board operating an area vocational a technical school, pursuant to section 136C.07; Laws 1967, chapter 822, as amended; Laws 1969, chapter 775, as amended; or Laws 1969, chapter 1060, as amended,~~ institute may make, adopt and enforce rules, regulations, or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied, or operated by the board.

Sec. 16. Minnesota Statutes 1988, section 136C.15, is amended to read:

136C.15 [STUDENT ASSOCIATIONS.]

Every school board governing a technical institute shall give recognition as an authorized extracurricular activity to a technical institute student association affiliated with the Minnesota vocational technical student association. The student association is authorized to collect a reasonable fee from students to finance the activities of the association in an amount determined by the governing board of the technical institute which has recognized it.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The money in this fund shall be available for expenditure for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings, and charitable activities approved by the student association.

Sec. 17. Minnesota Statutes 1988, section 136C.31, is amended by adding a subdivision to read:

*Subd. 3. [AID AND TUITION.] All technical institute money and tuition shall be used solely for the purposes of post-secondary vocational technical education.*

Sec. 18. Minnesota Statutes 1988, section 136C.36, is amended to read:

136C.36 [PAYMENT OF TECHNICAL INSTITUTE INSTRUCTIONAL AID MONEY.]

Eighty-five percent of the ~~estimated money appropriated for~~ post-secondary vocational ~~instructional aid entitlement instruction~~ for each district technical institute shall be paid during the fiscal year of ~~entitlement for which it is appropriated~~ in 11 uniform monthly payments from July to May. *The final payment shall be made on the first business day of July in the following fiscal year.*

~~The amount of entitlement, adjusted for actual data, minus the payments made during the fiscal year of entitlement, shall be The final adjustment paid to each district on the first business day of July in the fiscal year following entitlement.~~

Sec. 19. Minnesota Statutes 1988, section 136C.43, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE; APPROPRIATION.] For the purpose of providing money appropriated from the vocational technical building fund for the acquisition of public land, buildings, and capital improvements needed

for the state plan for the administration of vocational education in accordance with the provisions of section 136C.42, when requested by the state board of education, the commissioner of finance shall sell and issue bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith and credit and taxing powers of the state are irrevocably pledged. Bonds shall be issued pursuant to this section only as authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended therefor, as set forth in section 136C.42. Any such law, together with this section and the laws herein referred to, constitutes complete authority for the issue, and such bonds shall not be subject to restrictions or limitations contained in any other law.

Sec. 20. Minnesota Statutes 1988, section 169.44, subdivision 18, is amended to read:

Subd. 18. [MOTOR COACH USED FOR SCHOOL ACTIVITIES.] A school district or a technical institute shall not acquire a motor coach. Motor coaches acquired by school districts or ~~area vocational~~ technical institutes before March 26, 1986, may be used by school districts or ~~area vocational~~ technical institutes only to transport students participating in school activities, their instructors, and supporting personnel, to and from school activities. The motor coaches shall not in any way be outwardly equipped and identified as school buses. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. By August 1, 1986, the state board of education shall adopt rules governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision. After January 1, 1998, a school district or technical institute shall not own or operate a motor coach for any purpose.

Sec. 21. Minnesota Statutes 1988, section 275.125, subdivision 14a, is amended to read:

Subd. 14a. [LEVY FOR LOCAL SHARE OF TECHNICAL INSTITUTE CONSTRUCTION.] (a) The definitions in section 136C.02 apply to this subdivision. "*Construction*" includes acquisition and betterment of land, buildings, and capital improvements for technical institutes.

(b) A district maintaining a technical institute may levy for its ~~local~~ share of the cost of construction of *technical institute* facilities ~~for the technical institute~~ as provided in this subdivision.

(c) The construction must be authorized by a specific legislative act pursuant to section 136C.07, subdivision 5, after January 1, 1980. The ~~specific legislative~~ act must require ~~that the state to pay part of the cost of technical institute construction for post-secondary vocational purposes shall be financed by the state and that the district to pay part of the cost of construction for post-secondary vocational purposes shall be financed by the school district operating the technical institute.~~

(d) The district may levy an amount equal to the local share of the cost of *technical institute* construction ~~for post-secondary vocational purposes~~, minus the amount of any ~~unappropriated~~ *unreserved* net balance in the district's ~~post-secondary vocational~~ *technical institute* building construction fund. A district may levy the total amount authorized by this subdivision in one year, or a proportionate amount of the total authorized amount each year for up to three successive years.

(e) By the ~~July~~ *August* 1 before a district certifies the first levy pursuant to this subdivision ~~for the local share of any construction project~~, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose and duration of the proposed levy; ~~the duration of the proposed levy~~ and the amount of the proposed levy in dollars and mills. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the most recent regular school board election, the board shall call a referendum on the proposed levy. The referendum shall be held on a date set by the school board, but no later than the ~~August~~ *September* 20 before the levy is certified. The question on the ballot shall state the amount of the proposed levy in mills on the district's adjusted gross tax capacity and in dollars in the first year of the proposed levy.

(f) ~~For the purposes of this subdivision, "construction" includes the acquisition and betterment of land, buildings and capital improvements for technical institutes.~~

~~(g)~~ A district may not levy for the cost of a construction project pursuant to this subdivision if it issues any bonds to finance any costs of the project.

Sec. 22. Minnesota Statutes 1988, section 354.094, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTION FOR LEAVES SINCE 1981-1982.] Notwithstanding subdivision 1, the following provisions apply to elementary, *and secondary school* and ~~area vocational technical school institute~~ teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year:

(a) A member whose application states the intention to pay employee contributions into the fund, requests state payment of employer contributions, and is approved by the commissioner within the limits of section 125.60, subdivision 7, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which shall not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution into the fund by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and the employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 23. Minnesota Statutes 1988, section 354.094, subdivision 1b, is amended to read:

Subd. 1b. [PRE-MAY 16, 1981 LEAVE EXCEPTION.] Notwithstanding

subdivision 1, the following provisions apply only to elementary, *and secondary school* and ~~area vocational~~ technical school *institute* teachers whose extended leaves began in the 1978-1979, 1979-1980, or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 24. Minnesota Statutes 1988, section 354A.091, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTION FOR LEAVES SINCE 1981-1982.] Notwithstanding subdivision 1, the following provisions apply to elementary, *and secondary school* and ~~area vocational~~ technical school *institute* teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year:

(a) A member whose application states the intention to pay employee contributions to the applicable association, requests state payment of the employer contribution, and is approved by the commissioner within the limits of section 125.60, subdivision 7, may pay employee contributions to the applicable association and receive allowable service credit in that association for each year of leave during the period of the leave, which shall not exceed five years;

(b) The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution to the applicable association by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and school teachers whose extended leaves began in the 1978-1979, 1979-1980 or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the applicable fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 25. Minnesota Statutes 1988, section 355.46, subdivision 3, is amended to read:

Subd. 3. [SOCIAL SECURITY CONTRIBUTIONS.] The employer taxes due with respect to employment by educational employees who have made

their selection pursuant to section 218(d)(6)(C) of the Social Security Act, shall be paid in the following manner:

(a) Contributions required to be made for current service by political subdivisions employing educational employees and payments required by section 355.49 shall be paid by the political subdivision. 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. The state shall make payments for services rendered prior to July 1, 1986.

(b) Contributions required to be made with respect to educational employees of state departments and institutions and payments required by section 355.49 shall be paid by the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.

Sec. 26. [REPEALER.]

*Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; and 136C.43, subdivisions 1, 2, and 3, are repealed.*"

Delete the title and insert:

"A bill for an act relating to education; vocational; clarifying powers and duties of the state board and state director of vocational technical education; making technical corrections; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 136C.04, subdivisions 1, 2, 6, 9, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding subdivisions; 136C.07, subdivision 4; 136C.075; 136C.08, subdivision 1; 136C.15; 136C.31, by adding a subdivision; 136C.36; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a and 1b; 354A.091, subdivision 1a; and 355.46, subdivision 3; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; and 136C.43, subdivisions 1, 2, and 3."

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. 1356: A bill for an act relating to workers' compensation; regulating compensation benefits; charging administrative costs of the workers' compensation system to the state's general fund; regulating vendors; regulating the workers' compensation court of appeals; regulating insurers; establishing a legal assistance pilot project program; appropriating money; amending Minnesota Statutes 1988, sections 15A.083, subdivision 7; 79.58, by adding a subdivision; 175A.01; 175A.02; 175A.05; 175A.07, subdivision 2; 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivision 3; 176.041, subdivision 4; 176.061, subdivision 10; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding



subdivisions; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; 176.131, subdivisions 1, 1a, 2, 8, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.135, subdivision 5; 176.136, subdivisions 1 and 5; 176.179; 176.221, subdivision 6a; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1988, sections 176.011, subdivision 26; 176.101, subdivisions 3a to 3u, and 6; and 176.111, subdivision 8a.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

## “ARTICLE 1

### SCOPE OF COVERAGE

Section 1. Minnesota Statutes 1988, 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 the employee's employer, 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 state's 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. 2. [EFFECTIVE DATE.]

*This article is effective the day following final enactment.*

## ARTICLE 2

## COMPENSATION BENEFITS

Section 1. Minnesota Statutes 1988, 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. 2. Minnesota Statutes 1988, 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 and without additional allowances.*

Sec. 3. Minnesota Statutes 1988, 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, *subdivision 3*. 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 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 or in the employee's dependents under this chapter or, if none, in the employee's legal heirs 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. The right is not abrogated by the employee's death prior to the making of the payment.

Sec. 4. Minnesota Statutes 1988, 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. 5. Minnesota Statutes 1988, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] (a) For an 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 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.~~

~~Subject to subdivisions 3a to 3u (d) This Temporary total 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 is consistent with a plan of rehabilitation filed with the commissioner, which meets the requirements of section 176.102, subdivision 1, or, if no plan has been filed, 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 recommended under this paragraph is subject to cessation under paragraph (d). Recommended 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 recommenced at a later date except as provided under section 176.102, subdivision 11, paragraph (b).

Sec. 6. Minnesota Statutes 1988, section 176.101, is amended by adding a subdivision to read:

*Subd. 1a. [EXTENDED DISABILITY COMPENSATION.] (a) If an employee, who has a permanent partial disability, is not working because of the personal injury after payment of permanent partial disability benefits is complete, the employee is eligible for extended disability compensation. If an employee received any permanent partial compensation in a lump sum, payment will be considered complete after expiration of the period when the employee would have received permanent partial compensation had it been paid periodically.*

*(b) Extended disability compensation is paid at the rate for temporary total compensation, escalated under section 176.645, for the number of weeks equal to 246 multiplied by the employee's percentage rating of permanent partial disability, determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. The total extended compensation for any injury may not exceed this product.*

*(c) Extended disability compensation must cease if the employee is no longer disabled, returns to work, refuses a job offer described in subdivision 1, paragraph (d), clause (4), or retires from the labor market.*

*(d) An employee is not eligible for extended disability compensation if, at any time before the employee would have become eligible:*

*(1) the employee refuses a job offer, as described in subdivision 1, paragraph (d), clause (4); or*

*(2) the employee returns to work and terminates employment, unless the employee was medically unable to continue work or was terminated without just cause.*

*(e) An employee is eligible for extended compensation at any time after payment of permanent partial benefits is complete, provided the employee meets the qualifications of this section and has not been paid the maximum number of weeks under paragraph (b) for that injury; except that extended compensation may not be paid beyond 350 weeks after the date of injury.*

Sec. 7. Minnesota Statutes 1988, section 176.101, subdivision 2, is amended to read:

*Subd. 2. [TEMPORARY PARTIAL DISABILITY.] (a) In all cases of temporary partial disability the compensation shall be ~~66-2/3 percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition.~~ paid as follows:*

*(1) for the first 26 weeks that the employee returns to work, the compensation shall be 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;

(2) for the second 26 weeks that the employee returns to work, the compensation shall be 60 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; and

(3) for the third 26 weeks that the employee returns to work, the compensation shall be 40 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.

(b) 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.

(c) Temporary partial compensation may be paid only while the employee is working, earning less than the employee's weekly wage at the time of the injury, and the reduced wage is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 78 weeks, including weeks in which the employee has no wage loss, or after 350 weeks after the date of injury, whichever occurs first.

(d) Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is earning in the employee's partially disabled condition, plus the temporary partial disability payment otherwise payable under this subdivision, exceeds 300 percent of the statewide average weekly wage.

Sec. 8. Minnesota Statutes 1988, 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. Permanent partial disability must be rated as a percentage of the whole body in accordance with rules adopted by the commissioner under section 176.105. The percentage determined pursuant to the rules must be multiplied by the corresponding amount in the following table:

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 returns 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. Permanent partial disability is not payable while temporary total compensation is being paid. Permanent partial disability is payable to permanently totally disabled employees in a lump sum at the time the disability can be ascertained.*

Sec. 9. Minnesota Statutes 1988, 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 rates~~ 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. 10. Minnesota Statutes 1988, 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 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 the employee's 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. 11. Minnesota Statutes 1988, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] *(a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount the commissioner determines is appropriate, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.*

*(b) If the employee is not working during a retraining plan that has been specifically approved under this section, temporary total compensation is payable for up to 90 days after the end of the retraining plan, except that payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (4). If the employee is working during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of 80 percent of the difference between the employee's after-tax weekly wage at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to the 78-week phase-out or the 350-week limitation provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.*

Sec. 12. Minnesota Statutes 1988, 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. Disability ratings under the schedule for permanent partial disability must be based on objective medical evidence.*

*(b) The commissioner, in consultation with the medical services review board, shall annually review the rules adopted under paragraph (a) to determine whether any injuries omitted from the schedule should be compensable and, if so, amend the rules accordingly.*

Sec. 13. Minnesota Statutes 1988, 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. 14. Minnesota Statutes 1988, 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 ~~the same 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. 15. Minnesota Statutes 1988, 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 ~~the same 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. 16. Minnesota Statutes 1988, 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. 17. Minnesota Statutes 1988, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee ~~leave~~ *leaves* no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on ~~the~~ 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~~ *leaves* 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. 18. Minnesota Statutes 1988, 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. 19. Minnesota Statutes 1988, 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. 20. Minnesota Statutes 1988, 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. 21. Minnesota Statutes 1988, 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 is payable at the rate of 75 percent.*

Sec. 22. Minnesota Statutes 1988, 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 is payable 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. 23. Minnesota Statutes 1988, 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 is payable at the rate of 75 percent.*

Sec. 24. Minnesota Statutes 1988, 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. 25. Minnesota Statutes 1988, 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. 26. Minnesota Statutes 1988, 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, and before October 1, 1989, 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.

(c) An employee who has suffered personal injury after October 1, 1989, and is permanently totally disabled as defined by section 176.101, subdivisions 4 and 5, 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 permanent 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.

Sec. 27. Minnesota Statutes 1988, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under ~~this section~~ subdivision 1, paragraphs (a) and (b), 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 subdivision 1, paragraph (c), shall be the difference between:

(1) the amount the employee receives on or after October 1, 1989, under section 176.101, subdivision 4; plus the amount of disability benefits being paid under any government disability benefit program, provided those benefits are occasioned by the same injury or injuries giving rise to payments under section 176.101, subdivision 4; plus the amount of any federal old age and survivors insurance benefits; and

(2) 65 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 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 *under subdivision 1, paragraph (a) or (b)*, 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) 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. 28. Minnesota Statutes 1988, 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 *under subdivision 1, paragraph (a) or (b)*, or currently paying permanent total disability benefits *under subdivision 1, paragraph (c)*, 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. 29. Minnesota Statutes 1988, section 176.135, subdivision 5, is amended to read:

Subd. 5. [~~OCCUPATIONAL DISEASE MEDICAL ELIGIBILITY ASBESTOS HEALTH SCREENINGS.~~] ~~Notwithstanding section 176.66, an employee who has contracted an occupational disease is eligible to receive compensation under this section even if the employee is not disabled from earning full wages at the work at which the employee was last employed. An employee who has acquired asbestosis or other occupational disease resulting from exposure to asbestos is entitled to payment for reasonable charges for asbestos health screenings at reasonable frequencies in accordance with established medical practice but not to exceed once annually. Payment for the screening shall be made in accordance with section 176.66, subdivision 10. Payment for screenings may be ordered under section 176.191, subdivision 1.~~

Sec. 30. Minnesota Statutes 1988, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or

insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a full credit against future lump sum benefit entitlement and as a partial credit against future weekly benefits. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits, death benefits, or weekly payments of ~~economic recovery or impairment~~ *permanent partial* compensation shall not exceed 20 percent of the amount that would otherwise be payable.

A credit may not be applied against medical expenses due or payable.

Sec. 31. Minnesota Statutes 1988, section 176.221, subdivision 6a, is amended to read:

Subd. 6a. [~~MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT~~ *PERMANENT PARTIAL COMPENSATION.*] The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivisions 9 and 11, ~~economic recovery compensation or impairment~~ *permanent partial* compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.

Sec. 32. Minnesota Statutes 1988, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [~~AMOUNT.~~] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed ~~six~~ *four* percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be ~~six~~ *four* percent.

Sec. 33. Minnesota Statutes 1988, 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, 1989, the initial*

*adjustment under subdivision 1 is deferred until the third anniversary of the date of injury.*

Sec. 34. Minnesota Statutes 1988, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] *For purposes of determining the compensation rate for an occupational disease is ~~66-2/3 percent of the employee's weekly wage on the date of injury subject to a maximum compensation equal to under sections 176.101 and 176.111, the weekly wage on the first date of disability shall be used. If the weekly wage on the first date of disability is less than the weekly wage on the date of last significant exposure to the hazard of the occupational disease, the weekly wage on the date of last significant exposure shall be used. If the employee is unemployed on the first date of disability, the compensation rate shall be based on the employee's weekly wage when last significantly exposed. The maximum compensation rate shall be the maximum compensation rate~~ in effect on the date of last significant 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. An employee who has voluntarily retired prior to becoming disabled is not eligible for wage loss benefits.*

Sec. 35. [176.90] [AFTER-TAX CALCULATION.]

*For purposes of sections 176.011, subdivisions 18 and 18a; 176.101, subdivisions 1, 2, 3, and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; and 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 the 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. 36. [REPEALER.]

*Minnesota Statutes 1988, sections 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 176.111, subdivision 8a, are repealed.*

Sec. 37. [EFFECTIVE DATE.]

*This article is effective October 1, 1989.*

### ARTICLE 3

#### LEGAL, REHABILITATION, MEDICAL

Section 1. Minnesota Statutes 1988, 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~~ *attorney* 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, *shall report the number of hours spent on the case*, 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) *Employers and insurers may not pay attorney fees or wages for legal services of more than \$6,500 per case unless the additional fees or wages are approved under subdivision 2.*

Sec. 2. Minnesota Statutes 1988, 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. 3. Minnesota Statutes 1988, 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~~ *The* application shall state the basis for the need of review and whether or not a hearing is requested. A copy of ~~such the~~ 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. 4. Minnesota Statutes 1988, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] *(a) This section applies only 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. 5. Minnesota Statutes 1988, 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. 6. Minnesota Statutes 1988, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member, and ~~two three~~ members ~~each from representing employers, insurers, rehabilitation, and medicine,~~ one member representing chiropractors, ~~and four~~ *one member representing medical doctors, three members representing labor, two members representing rehabilitation vendors, and five members representing qualified rehabilitation consultants.* The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and

make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 7. Minnesota Statutes 1988, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

~~The commissioner may appoint alternates for one year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation.~~

Sec. 8. Minnesota Statutes 1988, 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. If the consultation indicates that rehabilitation services are not appropriate pursuant to subdivision 1, the employer shall notify the employee of this determination within seven days after the consultation.

(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer shall notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report.

(c) The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest. The consultant shall also disclose to all parties any affiliation, business referral, or other arrangement between the consultant or the firm employing the consultant and any other party to, attorney, or health care provider involved in the case; including any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

(d) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may choose 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.

(e) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 15 days after the plan has been developed.

(b) (f) If the employer does not provide rehabilitation consultation, or the employee does not select a qualified rehabilitation consultant, as required by this section provided 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) (g) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) (h) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 9. Minnesota Statutes 1988, 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 \$3,500 must be specifically approved by the commissioner. This approval may not be waived by the parties.*

Sec. 10. Minnesota Statutes 1988, 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 90 days from the date of the injury, but before 120 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. 11. Minnesota Statutes 1988, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] (a) The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. 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.

*(b) The medical fee rules for providers other than hospitals, which are promulgated on October 1, 1988, and based upon 1987 medical cost data, must remain in effect until September 30, 1990; and the medical fee rules for providers other than hospitals, which are promulgated on October 1, 1990, must be based on the 1988 medical cost data and must remain in effect until September 30, 1991.*

(c) 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. 12. Minnesota Statutes 1988, section 176.136, subdivision 5, is amended to read:

Subd. 5. [PERMANENT RULES.] *(a) Where permanent rules have been adopted to implement this section, the commissioner shall annually give notice in the State Register of the 75th percentile reimbursement allowance to meet the requirements of subdivision 1. The notice shall be in lieu of the requirements of chapter 14 and shall be set at the 75th percentile of the billings for each service in the data base, provided that if the 75th percentile for the service meets the following requirements of paragraphs (a) to (e) are met:*

*(a) (1) the data base includes at least three different providers of the service-;*

*(b) (2) the data base contains at least 20 billings for the service-;*

*(c) (3) The standard deviation as a percentage of the mean of billings for the service is 50 percent or less- the data are taken from the data base of Blue Cross and Blue Shield of Minnesota where available; or if not available from Blue Cross and Blue Shield of Minnesota, the data will be taken directly from the health care providers, professional associations, or other available sources;*

*(d) (4) 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- the standard deviation is less than or equal to 50 percent of the mean of the billings for each service in the data base or the value of the 75th percentile is not greater than or equal to three times the value of the 25th percentile of the billings for each service in the data base; and*

*(e) (5) The data is taken from the data base of Blue Cross and Blue Shield or the department of human services- the 75th percentile logically reflects the usual and customary charges for the service.*

*(b) If the commissioner identifies a problem with the data for a particular*

*service such that the 75th percentile does not logically reflect the usual and customary charges for that service, the commissioner may, upon consultation with the medical services review board, set the reimbursement fee.*

Sec. 13. [EFFECTIVE DATE.]

*This article is effective August 1, 1989.*

#### ARTICLE 4

#### ADMINISTRATIVE COSTS

Section 1. [176.95] [ADMINISTRATIVE COSTS.]

*The annual cost of administering the workers' compensation system under this chapter must be charged to the general fund. Administrative costs include the cost of administering the workers' compensation division of the department, the workers' compensation division of the office of administrative hearings, and the workers' compensation court of appeals.*

Sec. 2. [APPROPRIATION.]

*Notwithstanding section 1, for the biennium beginning July 1, 1989, \$5 million for fiscal year 1990 and \$5 million for fiscal year 1991 is appropriated from the general fund to the commissioner of labor and industry for the purpose of administering the workers' compensation system. The balance of the costs of administering the workers' compensation system for that biennium is appropriated from the special compensation fund to the commissioner of labor and industry.*

Sec. 3. [EFFECTIVE DATE.]

*This article is effective July 1, 1989.*

#### ARTICLE 5

#### REGULATION OF STATE CLAIMS

Section 1. Minnesota Statutes 1988, section 176.541, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION OF CHAPTER TO STATE EMPLOYEES.] This chapter applies to the employees of ~~any department of this state~~ *the executive, legislative, and judicial branches of the state, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund, including the state historical society and the state agricultural society.*

Sec. 2. Minnesota Statutes 1988, section 176.541, subdivision 2, is amended to read:

Subd. 2. [DEFENSE OF CLAIM AGAINST STATE.] When the commissioner of employee relations believes that a claim against the state for compensation should be contested, the commissioner shall defend the state claim. *The commissioner has sole authority to settle claims on behalf of the state.*

Sec. 3. Minnesota Statutes 1988, section 176.541, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF ATTORNEY GENERAL.] At any stage in ~~such~~ *a compensation proceeding under this section*, the attorney general may assume the duty of defending the state. When the commissioner of employee

relations of a ~~department~~ of this state requests the attorney general to assume the defense, the attorney general shall do so.

Sec. 4. Minnesota Statutes 1988, section 176.541, subdivision 5, is amended to read:

Subd. 5. [EXPENSES OF CONDUCTING DEFENSE.] The expenses of conducting a defense ~~shall must~~ be charged to the ~~department which entity~~ that employs the employee involved. These expenses ~~shall must~~ be paid from the state compensation revolving fund.

Sec. 5. Minnesota Statutes 1988, section 176.541, subdivision 6, is amended to read:

Subd. 6. [LEGAL, PROFESSIONAL, AND CLERICAL ~~HELP SERVICES.~~] The commissioner of employee relations may employ ~~such~~ legal, professional, and clerical ~~help services~~ as authorized by the department of ~~administration finance.~~ The ~~salaries cost of these persons shall the services~~ must be paid from the state compensation revolving fund; ~~but shall be apportioned among the several departments of the state in relation to the amount of compensation paid to employees of any department as against the total amount of compensation paid to employees of all departments.~~

Sec. 6. Minnesota Statutes 1988, section 176.551, subdivision 1, is amended to read:

Subdivision 1. [~~HEADS OF STATE DEPARTMENTS EMPLOYING ENTITIES TO REPORT ACCIDENTS TO EMPLOYEES.~~] Except as provided in subdivision 2, the head of a ~~department of the state employing entity, including the University of Minnesota and other entities whose workers' compensation liability is paid from the state revolving fund,~~ shall report each accident ~~which that~~ occurs to an employee as ~~and in the manner~~ required by this chapter.

Sec. 7. Minnesota Statutes 1988, section 176.571, is amended to read:

Subdivision 1. [PRELIMINARY INVESTIGATION.] When the head of ~~a department~~ an employing state entity has filed a report or the commissioner of employee relations has otherwise received information of the occurrence of an injury to a state employee for which liability to pay compensation may exist, the commissioner of employee relations shall make a preliminary investigation to determine the question of probable liability.

In making this investigation, the commissioner of employee relations may require the assistance of the head of any ~~department~~ entity or any employee of the state. The commissioner of employee relations may require that all facts be furnished ~~which that~~ appear in the records of any state ~~department~~ entity bearing on the issue.

Subd. 2. [DETERMINATION BY DEPARTMENT.] When the commissioner of the department of employee relations has completed an investigation, the commissioner shall inform the claimant; ~~and the head of the employing department; and the commissioner of finance~~ entity in writing of the action taken.

Sec. 8. Minnesota Statutes 1988, section 176.581, is amended to read:

176.581 [PAYMENT TO STATE EMPLOYEES.]



Upon a warrant ~~prepared~~ *approved* by the commissioner of the department of employee relations and ~~approved prepared~~ by the commissioner of finance, and in accordance with the terms of the order awarding compensation, the state treasurer shall pay compensation to the employee or the employee's dependent. These payments ~~shall~~ *must* be made from money appropriated for this purpose.

Sec. 9. Minnesota Statutes 1988, section 176.591, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] To facilitate the discharge by the state of its obligations under this chapter, ~~there is established a revolving fund to be known~~ as the state compensation revolving fund *is maintained in the state treasury.*

This fund ~~is comprised of~~ *comprises* the unexpended balance in the fund on July 1, 1935, and the sums ~~which the several departments employing entities~~ of the state pay to the fund.

Sec. 10. Minnesota Statutes 1988, section 176.591, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION PAYMENTS UPON WARRANTS.] The state treasurer shall make compensation payments from the fund only as authorized by this chapter upon warrants ~~of~~ *approved* by the commissioner of the department of employee relations.

Sec. 11. Minnesota Statutes 1988, section 176.603, is amended to read:

176.603 [COST OF ADMINISTERING CHAPTER, PAYMENT.]

The annual cost to the commissioner of the department of employee relations of administering this chapter in relation to state employees and the necessary expenses ~~which that~~ the department of employee relations or the attorney general incurs *in containing costs or in* investigating, administering, and defending a claim against the state for compensation ~~shall~~ *must* be paid from the state compensation revolving fund.

Sec. 12. Minnesota Statutes 1988, section 176.611, subdivision 2, is amended to read:

Subd. 2. [STATE DEPARTMENTS.] ~~Every department~~ *An employing entity* of the state, including the University of Minnesota, shall reimburse the fund for money paid for its claims, *an occupational preventative health and safety program under section 15.46*, and the costs of administering the revolving fund at ~~such whatever~~ times and in ~~such whatever~~ amounts as the commissioner of employee relations ~~shall certify~~ *certifies* has been paid out of the fund ~~on its behalf~~. The heads of the ~~departments~~ *entities* shall anticipate these payments by including them in their budgets. In addition, the commissioner of employee relations, with the approval of the commissioner of finance, may require an ~~agency~~ *entity* to make advance payments to the fund sufficient to cover the ~~agency's~~ *entity's* estimated obligation for a period of at least 60 days. Reimbursements and other money received by the commissioner of employee relations under this subdivision must be credited to the state compensation revolving fund.

Sec. 13. [REPEALER.]

*Minnesota Statutes 1988, section 176.541, subdivision 7, is repealed.*

Sec. 14. [EFFECTIVE DATE.]

*This act is effective the day following final enactment.*

## ARTICLE 6

### LEGAL ASSISTANCE PILOT PROJECT PROGRAM

Section 1. [176.2615] [LEGAL ASSISTANCE PILOT PROJECT PROGRAM.]

*Subdivision 1. [PURPOSE.] The commissioner shall establish a workers' compensation legal assistance pilot project program within the department for the purpose of providing legal representation to injured employees who meet the eligibility requirements set forth under subdivision 2.*

*Subd. 2. [ELIGIBILITY.] (a) The commissioner shall determine who is eligible to receive legal representation services under this section. To be eligible, the injured employee must:*

*(1) have a claim not exceeding \$1,600 that appears meritorious;*

*(2) be unable to obtain private counsel to represent the employee in a proceeding under this chapter, as evidenced by at least one turn down by an attorney who handles workers' compensation cases as a part of the attorney's regular practice; and*

*(3) demonstrate that an undue hardship will result or has resulted because of the employee's inability to pursue the claim for lack of private counsel willing to take the case.*

*(b) The commissioner may limit participation in the legal assistance pilot project program to the extent of funds available under the appropriation authorized under section 2.*

*Subd. 3. [FEES; COSTS AND EXPENSES.] (a) An employer or insurer and an employee are liable for attorney fees for representation provided to employees pursuant to this section to the same extent that the employer or insurer and employee would be liable in all other cases under chapter 176. The fees shall be paid directly to the special compensation fund, and shall be in an amount equal to the usual and customary fee of a private attorney handling a similar matter; except that, notwithstanding section 176.081, subdivisions 7 and 7a, the employee is not responsible for the first \$200 of fees.*

*(b) The employee is liable for costs and expenses not reimbursable under section 176.511.*

Sec. 2. [APPROPRIATION.]

*\$100,000 is appropriated for the biennium ending June 30, 1991, from the special compensation fund to the commissioner of labor and industry to establish the workers' compensation legal assistance pilot project program under section 1.*

Sec. 3. [REPORT TO LEGISLATURE.]

*The commissioner of labor and industry shall report to the legislature by January 1, 1991, concerning the number of employees served under the workers' compensation legal assistance pilot project program established under section 1, the effectiveness of the program, and the need, if any, for further funding on a permanent basis of the program. The report shall include accompanying recommendations.*

Sec. 4. [EFFECTIVE DATE.]

*This article is effective July 1, 1989.*

## ARTICLE 7

### REGULATION OF WORKERS' COMPENSATION COURT OF APPEALS

Section 1. Minnesota Statutes 1988, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] (a) Salaries of judges of the workers' compensation court of appeals shall be 90 percent of the salary for district court judges as provided ~~in~~ *under section 15A.082, subdivision 4 3; except that the salary of the chief judge shall be 95 percent of the salary for district court judges.*

(b) Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided ~~in~~ *under section 15A.082, subdivision 4 3. The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry.*

Sec. 2. Minnesota Statutes 1988, section 175A.01, is amended to read:

#### 175A.01 [CREATION.]

Subdivision 1. [~~ESTABLISHMENT; MEMBERSHIP; APPOINTMENT; QUALIFICATIONS.~~] The workers' compensation court of appeals as previously constituted is reconstituted as an independent agency in the executive branch.

The ~~workers' compensation court of appeals~~ shall consist of five judges, each serving in the unclassified service. ~~The five judges shall be learned in the law.~~

Subd. 2. [APPOINTMENT; TERMS; LIMITATION.] Each judge of the ~~workers' compensation court of appeals~~ shall be appointed by the governor, ~~by and with the advice and consent of the senate,~~ for a term of six years commencing at the expiration of the preceding term. Any vacancy shall be filled by the governor for the unexpired term, ~~subject to confirmation by the senate.~~ The terms of the judges shall expire on the first Monday in January of the year in which they expire. The terms of the judges shall be staggered. ~~The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified. They shall be selected on the basis of their experience with and knowledge of workers' compensation and the workers' compensation laws of Minnesota.~~

Subd. 3. [CONFIRMATION; RECONFIRMATION.] (a) *Appointments to the court are subject to confirmation by the senate.*

(b) *A judge is subject to reconfirmation by the senate after two years of the judge's term have elapsed. The governor may submit a recommendation at that time either supporting or opposing reconfirmation. If the senate reconfirms, the judge may continue to serve the remaining balance of the unexpired term. If the senate rejects reconfirmation, the judge shall not continue to serve and the vacancy shall be filled by the governor for the unexpired term.*

*(c) Reappointments are subject to confirmation by the senate, but they are not subject to reconfirmation as provided under paragraph (b) unless the reappointed judge was initially appointed to fill a vacancy for an unexpired term having less than two years remaining.*

*Subd. 4. [QUALIFICATIONS.] To qualify for appointment to the court, a candidate shall be learned in the law, have been licensed to practice law for at least five years, and have experience with and knowledge of workers' compensation and the workers' compensation laws of Minnesota.*

*Subd. 5. [ADVISORY COMMITTEE.] The governor, the speaker of the house of representatives, and the majority leader of the senate shall each appoint two members to a six-member advisory committee which shall screen applicants for appointment to the court and recommend at least three qualified candidates per vacancy. The committee shall be appointed and subject to the provisions of section 15.059, subdivisions 1, 2, 3, 4, and 6. The membership shall fairly represent the diverse groups having an interest in the efficient, just, and equitable administration of the state's workers' compensation laws, and the dispute resolution process thereunder.*

*Subd. 6. [STANDARDS OF CONDUCT.] The judges of the workers' compensation court of appeals shall be subject to the provisions of the Minnesota Constitution, article VI, section 6, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.*

*Subd. 7. [JURISDICTION.] The workers' compensation court of appeals shall have statewide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the workers' compensation court of appeals shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the workers' compensation laws of the state in those cases that have been appealed to the workers' compensation court of appeals and in any case that has been transferred by the district court to the workers' compensation court of appeals. The workers' compensation court of appeals shall have no jurisdiction in any case that does not arise under the workers' compensation laws of the state or in any criminal case, provided that the workers' compensation court of appeals shall exercise appellate jurisdiction under the laws governing employees of the state, a county, or other governmental subdivision who contract tuberculosis and under chapter 352E.*

*Subd. 8. [OATH.] Each judge of the workers' compensation court of appeals before entering upon the duties of office, shall take the oath prescribed by law.*

Sec. 3. Minnesota Statutes 1988, section 175A.02, is amended to read:

175A.02 [ADMINISTRATIVE OFFICERS.]

*Subdivision 1. [WORKERS' COMPENSATION COURT OF APPEALS; CHIEF JUDGE.] The judges of the workers' compensation court of appeals governor shall choose designate a chief judge from among their number the judges. The chief judge shall appoint one of the judges to serve as the administrator, who shall be have overall responsibility for administration of the court, including acting as custodian of the court's files and records and shall coordinate and make coordinator of hearing assignments. The chief judge who is appointed the administrator may delegate the duties of administrator to an employee chosen to be the appoint an assistant administrator to assist the judge in the performance of administrative duties. The*

*chief judge shall also have responsibility for oversight of other judges and court personnel with respect to timely performance of duties in a professional manner.*

*Subd. 2. [DISTRICT COURTS.] The court administrator of district court in each county shall be the court administrator of the workers' compensation court of appeals in that county. Filing fees and library fees deposited with the court administrator of district court in the capacity as clerk of the workers' compensation court of appeals and in cases originally commenced in district court and transferred to the workers' compensation court of appeals shall be retained by the court administrator of district court. The workers' compensation court of appeals court administrator in each county shall be subject to the supervision of the ~~administrator~~ *chief judge appointed under subdivision 1* in workers' compensation court of appeals matters.*

Sec. 4. Minnesota Statutes 1988, section 175A.05, is amended to read:  
175A.05 [QUORUM.]

*A majority of the judges of the workers' compensation court of appeals shall constitute a quorum for the exercise of the powers conferred and the duties imposed on the workers' compensation court of appeals except that all appeals shall be heard by no more than a panel of three of the five judges unless the ~~appeal case~~ *appealed* is determined to be of exceptional importance by a ~~four-fifths~~ *three-fifths* vote of the judges *prior to assignment of the case to a panel, or by the chief judge either before the case is assigned to a panel or after the case has been considered by the panel but prior to the service and filing of the decision.* A vacancy shall not impair the ability of the remaining judges of the workers' compensation court of appeals to exercise all the powers and perform all of the duties of the workers' compensation court of appeals.*

Sec. 5. Minnesota Statutes 1988, section 175A.07, subdivision 2, is amended to read:

*Subd. 2. [PERSONNEL.] The ~~judges~~ *chief judge* of the workers' compensation court of appeals shall appoint in the manner provided by law all personnel required by the workers' compensation court of appeals; *except that each judge shall appoint the judge's own law clerk. The* law clerks are in the unclassified service. The commissioner of administration shall provide the court with necessary additional staff and administrative services, and the court shall reimburse the commissioner for the cost of these services.*

Sec. 6. [STATUS OF CURRENT JUDGES.]

*Notwithstanding section 175A.01, subdivision 2, judges currently serving on the workers' compensation court of appeals who are reappointed are subject to confirmation by the senate, but not reconfirmation as provided under section 175A.01, subdivision 3.*

Sec. 7. [APPROPRIATION.]

*\$270,000 is appropriated from the special compensation fund for fiscal year 1990, and \$235,000 for fiscal year 1991, to the workers' compensation court of appeals to provide additional staff and operations support to the court. The approved complement of the court is increased by seven.*

Sec. 8. [EFFECTIVE DATE.]

*This article is effective July 1, 1989.*

ARTICLE 8  
REGULATION OF INSURERS

Section 1. Minnesota Statutes 1988, section 79.58, is amended by adding a subdivision to read:

*Subd. 3. [FLEX RATING.] (a) Whenever an insurer files a change in its existing rate level that is greater than 25 percent in a 12-month period, the commissioner may hold a hearing to determine if the rate is excessive. The hearing must be conducted as provided under chapter 14. The commissioner shall give notice of intent to hold a hearing within 60 days of the filing of the change. The commissioner of labor and industry may appear as an interested party at the hearing. At the hearing, the insurer has the responsibility of showing the rate is not excessive. The rate is effective unless it is determined as a result of the hearing that the rate is excessive. The disapproval of a rate under this subdivision must be done in the same manner as provided under section 70A.11.*

*(b) 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.*

Sec. 2. Minnesota Statutes 1988, 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. 3. [EFFECTIVE DATE.]

*Section 1 is effective October 1, 1989. Section 2 is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating scope of coverage; regulating compensation benefits; regulating legal, rehabilitation, and medical benefits and vendors; charging administrative costs of the workers' compensation system to the state's general fund; regulating state claims; establishing a legal assistance pilot project program; regulating the workers' compensation court of appeals; regulating insurers; appropriating money; amending Minnesota Statutes 1988, sections 15A.083, subdivision 7; 79.58, by adding a subdivision; 175A.01; 175A.02; 175A.05; 175A.07, subdivision 2; 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivision 3; 176.041, subdivision 4; 176.061, subdivision 10; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; 176.131, subdivisions 1, 1a, 2, 8, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.135, subdivision 5; 176.136, subdivisions 1 and 5; 176.179; 176.221, subdivision 6a; 176.541, subdivisions 1, 2, 3,

5, and 6; 176.551, subdivision 1; 176.571; 176.581; 176.591, subdivisions 1 and 3; 176.603; 176.611, subdivision 2; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1988, sections 176.011, subdivision 26; 176.101, subdivisions 3a to 3u, and 6; 176.111, subdivision 8a; and 176.541, subdivision 7."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Spear 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. 912: A bill for an act relating to human service; establishing requirements for disclosure of data about communicable diseases; providing penalties; 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. [144.4187] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] As used in sections 1 to 6, the terms defined in this section have the meanings given them.*

*Subd. 2. [DISCLOSURE.] "Disclosure" means the communication of sexually transmitted disease data in writing, orally, electronically, photographically, or by other means.*

*Subd. 3. [HEALTH CARE PROVIDER.] "Health care provider" means a person who provides health-related testing, treatment, diagnosis, or counseling to an individual.*

*Subd. 4. [INDIVIDUAL.] "Individual" means a natural person.*

*Subd. 5. [PERSON.] "Person" does not include a state agency, statewide system, political subdivision, or advisory board or commission that is subject to chapter 13.*

*Subd. 6. [SEXUALLY TRANSMITTED DISEASE.] "Sexually transmitted disease" means viral hepatitis, herpes simplex, chancroid, gonococcal infections, syphilis, human immunodeficiency virus type 1 and 2, granuloma inguinale, molluscum contagiosum, trichomoniasis, genital warts, and chlamydial infections, including lymphogranuloma venereum. "Sexually transmitted disease" also includes any newly identified disease the infectious agent of which passes in the exchange of bodily fluids through sexual penetration.*

*Subd. 7. [SEXUALLY TRANSMITTED DISEASE DATA.] "Sexually transmitted disease data" means medical or personal data on an individual from which the individual can be identified and that are collected for the purpose of professional testing, diagnosis, treatment, or counseling of the individual for a sexually transmitted disease with which the individual is infected or suspected of being infected. Sexually transmitted disease data include, but are not limited to, data obtained orally, in writing, and by physical examination. Sexually transmitted disease data do not include data created outside of Minnesota regarding an individual who is not a*

*Minnesota resident.*

Sec. 2. [144.4188] [DISCLOSURE OF SEXUALLY TRANSMITTED DISEASE DATA PROHIBITED; EXCEPTIONS.]

*Subdivision 1. [GENERAL PROHIBITION.] Except as provided in subdivision 2, 3, or 4, a person may not disclose or be compelled to disclose sexually transmitted disease data if the person obtained access to the data:*

*(i) for the purpose of professional testing, diagnosis, treatment, or counseling of an individual;*

*(ii) for the purpose of payment of, or determining eligibility for, insurance or health care benefits or coverage; or*

*(iii) while directly or indirectly involved in the process of carrying out a purpose for which disclosure is made under subdivision 2 or 3.*

*Subd. 2. [AUTHORIZED CONSENSUAL DISCLOSURE.] (a) A person may disclose sexually transmitted disease data with the informed consent of the individual who is the subject of the data.*

*(b) Informed consent is presumed valid if it:*

*(1) is in writing, dated, and signed by the subject of the data;*

*(2) specifies the data to be disclosed and the purpose for the disclosure;*

*(3) specifies the person who is authorized to make the disclosure and the person to whom the disclosure is to be made;*

*(4) specifies the period of time during which disclosures may be made under the consent and the procedures for withdrawal of the consent;*

*(5) informs the individual who is the subject of the data that the individual has the right to refuse consent and the consequences of doing so;*

*(6) describes the penalties and remedies for a violation of sections 1 to 6; and*

*(7) informs the individual who is the subject of the data that the data may not be disclosed except as authorized by the consent, unless otherwise permitted by law.*

*(c) An insurance company, health service plan corporation, or health maintenance organization is presumed to have secured consent from a policyholder of a health insurance contract or plan signed before the effective date of sections 1 to 6 if the policyholder is given a written notice containing the information required under paragraph (b), clauses (2) to (7), and is notified that consent to the disclosure specified in the notice will be presumed unless within 30 days the policyholder informs the company or organization in writing that the policyholder does not consent to the disclosure.*

*(d) Upon request, the person who obtains the informed consent shall explain or clarify the provisions of the consent to the individual who is the subject of the data.*

*(e) If the individual who is the subject of the data is unable to give consent, the parent, legal guardian, next of kin, or attorney-in-fact of the individual may give consent.*

*Subd. 3. [AUTHORIZED NONCONSENSUAL DISCLOSURE.] A person may disclose or be compelled to disclose sexually transmitted disease*



*data if the disclosure is made:*

- (1) to the individual who is the subject of the data;*
- (2) to a health care provider who needs the data to protect the health or life of the individual or to diagnose, inform, counsel, or treat the individual regarding the individual's sexually transmitted disease;*
- (3) to a health care provider who needs the data to protect the health or life of others, or to a specific individual whose life or health is threatened, if an epidemiologically significant risk of transmission exists;*
- (4) to public health authorities as required or permitted by statute or rule;*
- (5) to a health care provider or designee who uses or handles or is reasonably expected to use or handle organs, blood, body fluids, or tissues donated or to be donated for the benefit of a third party by an individual who is the subject of sexually transmitted disease data;*
- (6) to individuals who have a need to know and are engaged in conducting health care audits, program evaluations, medical peer reviews, or similar evaluations;*
- (7) to employees of an insurance company or third party payor who have a need to know the data for the purpose of obtaining payment of, or determining eligibility for, insurance benefits or coverage;*
- (8) to a person allowed access to the data by a court order under section 3; or*
- (9) to the parent or legal guardian of a minor under section 144.346.*

*Nothing in clause (7) eliminates an obligation an insurance company may have to obtain informed consent under this chapter or other law.*

*Subd. 4. [MEDICAL RECORD ENTRY.] An entry of sexually transmitted disease data by a health care provider as part of a patient's medical record maintained by or in the possession of the health care provider is not a disclosure.*

*Subd. 5. [ACCOMPANYING STATEMENT.] If disclosure is made under subdivision 2 or subdivision 3, clause (4), (6), (7), or (8), the disclosure must be accompanied by a statement in writing that includes the following or substantially similar language: "This information has been disclosed to you from records whose confidentiality is protected by state law. State law prohibits you from making any further disclosure of the data without the specific written consent of the person to whom the data pertains, except under specific circumstances authorized by law. A general authorization for the release of health care or other data is not sufficient consent. Unauthorized disclosure may subject you to liability in a civil action under Minnesota Statutes, section 144.4192."*

*Subd. 6. [RIGHT OF INQUIRY.] A person described in subdivision 1 who receives or discloses sexually transmitted disease data with respect to an individual must give the individual who is the subject of the data the following data upon request:*

- (1) the dates on which the sexually transmitted disease data were received or disclosed and the time period for which the disclosures are valid;*
- (2) the sexually transmitted disease data disclosed or received;*

- (3) *the purpose of the disclosures;*
- (4) *the person who may make or has made the disclosures; and*
- (5) *the person or persons to whom the disclosures were made.*

Sec. 3. [144.4189] [COURT ORDER.]

*Subdivision 1. [PROCEDURE.] In addition to the applicable rules of procedure, the following special provisions apply for seeking a court order for the release of sexually transmitted disease data under section 2, subdivision 3, clause (8).*

*(a) The court may not issue the order unless the court finds that the person seeking the sexually transmitted disease data has demonstrated, by clear and convincing evidence, a compelling need for the sexually transmitted disease data based on epidemiological evidence, that cannot be accommodated by other means. In assessing compelling need, the court shall weigh the need for disclosure against the privacy interest of the individual who is the subject of the sexually transmitted disease data and the public interest that may be harmed by disclosure.*

*(b) All court papers and proceedings pertaining to disclosure of sexually transmitted disease data must use a pseudonym for the true name of the subject of the sexually transmitted disease data. The disclosure to the parties of the subject's true name must be communicated confidentially, in documents not filed with the court.*

*(c) Before granting an order under this section, the court shall provide the individual who is the subject of the sexually transmitted disease data with notice and a reasonable opportunity to participate in the proceedings if the individual is not already a party, unless the individual cannot be located within a reasonable time.*

*(d) Court proceedings for disclosure of sexually transmitted disease data must be conducted in private unless the subject of the sexually transmitted disease data agrees to a hearing in open court or unless the court determines that a public hearing is necessary for the public interest and the proper administration of justice.*

*(e) Upon issuing an order to disclose sexually transmitted disease data, the court shall impose appropriate safeguards against unauthorized disclosure. The safeguards must specify the persons who have access to the data, the purposes for which the data may be used, and appropriate prohibitions on future disclosure.*

*Subd. 2. [HEALTH DATA.] This section may not be used to require the disclosure of health data as defined in section 13.38, including health data that are sexually transmitted disease data.*

Sec. 4. [144.4190] [SUBSEQUENT DISCLOSURE.]

*A person to whom sexually transmitted disease data have been disclosed according to, or in violation of, sections 1 to 6 may not disclose the sexually transmitted disease data except as authorized by sections 1 to 6.*

Sec. 5. [144.9191] [DEPARTMENT OF HEALTH ACTIVITIES NOT AFFECTED.]

*Sections 1 to 6 do not affect, impede, interfere with, or prevent:*

- (1) the disclosure by any person of sexually transmitted disease data to*

*the department of health or local boards of health; or*

*(2) the collection, maintenance, or disclosure by the department of health of health data as defined in section 13.38, including health data that are sexually transmitted disease data.*

**Sec. 6. [144.4192] [CIVIL ACTIONS; DAMAGES.]**

*Subdivision 1. [CIVIL REMEDIES.] A person who violates any provision of sections 1 to 6 is liable to an individual who suffers damage as a result of the violation. An action may be brought by the individual damaged, or the personal representative in the case of a decedent. The court may award damages, plus costs and reasonable attorney fees. In the case of a willful violation, the court may award punitive damages of not less than \$100 nor more than \$10,000 for each violation.*

*Subd. 2. [REMEDIES NOT EXCLUSIVE.] Sections 1 to 6 do not limit the right of an individual who is the subject of sexually transmitted disease data to recover damages or other relief under any other applicable law.*

*Subd. 3. [IMMUNITY IN CERTAIN CASES.] A licensed health professional who discloses sexually transmitted disease data to a health care provider or a specific individual in accordance with section 2, subdivision 3, clause (3), who knows or has reason to believe that an epidemiologically significant risk of transmission exists, and who makes the disclosure in good faith, is immune from liability for making the disclosure.*

*Subd. 4. [NO DUTY TO DISCLOSE.] Provisions of sections 1 to 6 that authorize disclosure do not impose a duty on a person to disclose."*

Amend the title as follows:

Page 1, line 3, delete "communicable" and insert "sexually transmitted"

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. 573: A bill for an act relating to marriage dissolution; including the primary caretaker standard as a factor to be considered in custody decisions; providing that the court may not use one factor as controlling in determining custody; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve on-going visitation disputes; providing for visitation by persons who have resided with a child; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivisions 1 and 2; 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 1988, section 257.022, is amended by adding a subdivision to read:

*Subd. 2b. [WHEN CHILD HAS RESIDED WITH OTHER PERSON.] If an unmarried minor has resided in a household with a person, other than a foster parent, for two years or more and no longer resides with the*

*person, the person may petition the district court for an order granting the person reasonable visitation rights to the child during the child's minority. The court shall grant the petition if it finds that:*

- (1) visitation rights would be in the best interests of the child;*
- (2) the petitioner and child had established emotional ties creating a parent and child relationship; and*
- (3) visitation rights would not interfere with the relationship between the custodial parent and the child.*

*The court shall consider the reasonable preference of the child, if the court considers the child to be of sufficient age to express a preference.*

Sec. 2. Minnesota Statutes 1988, section 518.17, subdivision 1, is amended to read:

Subdivision 1. [THE BEST INTERESTS OF THE CHILD.] (a) "The best interests of the child" means all relevant factors to be considered and evaluated by the court including:

- ~~(a)~~ (1) the wishes of the child's parent or parents as to custody;
- ~~(b)~~ (2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;
- ~~(c)~~ (3) the interaction and interrelationship of the child with a parent or parents, siblings, and any other person who may significantly affect the child's best interests;
- ~~(d)~~ (4) the child's adjustment to home, school, and community;
- ~~(e)~~ (5) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;
- ~~(f)~~ (6) the permanence, as a family unit, of the existing or proposed custodial home;
- ~~(g)~~ (7) the mental and physical health of all individuals involved;
- ~~(h)~~ (8) the capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in the child's culture and religion or creed, if any;
- ~~(i)~~ (9) the child's cultural background; ~~and~~
- ~~(j)~~ (10) the effect on the child of the actions of an abuser, if related to domestic abuse, as defined in section 518B.01, that has occurred between the parents; *and*
- (11) *the child's primary caretaker.*

*The court may not use one factor as controlling in determining custody.*

(b) The court shall not consider conduct of a proposed custodian that does not affect the custodian's relationship to the child.

Sec. 3. Minnesota Statutes 1988, section 518.17, subdivision 2, is amended to read:

Subd. 2. [FACTORS WHEN JOINT CUSTODY IS SOUGHT.] In addition to the factors listed in subdivision 1, where either joint legal or joint physical custody is contemplated or sought, the court shall consider the following relevant factors:

(a) The ability of parents to cooperate in the rearing of their children;

(b) Methods for resolving disputes regarding any major decision concerning the life of the child, and the parents' willingness to use those methods; ~~and~~

(c) Whether it would be detrimental to the child if one parent were to have sole authority over the child's upbringing; *and*

(d) *Whether domestic abuse, as defined in section 518B.01, has occurred between the parents.*

The court shall use a rebuttable presumption that upon request of either or both parties, joint legal custody is in the best interests of the child.

Sec. 4. Minnesota Statutes 1988, section 518.175, subdivision 1, is amended to read:

Subdivision 1. In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of ~~the noncustodial~~ *either parent*, grant such rights of visitation *on behalf of the child and noncustodial parent* as will enable the child and the non-custodial parent to maintain a child to parent relationship that will be in the best interests of the child. If the court finds, after a hearing, that visitation is likely to endanger the child's physical or emotional health or impair the child's emotional development, the court ~~may~~ *shall* restrict visitation by the noncustodial parent as to time, place, duration, or supervision and may deny visitation entirely, as the circumstances warrant. The court shall consider the age of the child and the child's relationship with the noncustodial parent prior to the commencement of the proceeding. A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of visitation.

Sec. 5. Minnesota Statutes 1988, section 518.175, subdivision 5, is amended to read:

Subd. 5. The court ~~may~~ *shall* modify an order granting or denying visitation rights whenever modification would serve the best interests of the child, but the court shall not restrict a ~~parent's~~ visitation rights unless it finds that:

(1) the visitation is likely to endanger the child's physical or emotional health or impair the child's emotional development; *or*

(2) *the noncustodial parent has chronically and unreasonably failed to comply with court-ordered visitation.*

If the custodial parent makes specific allegations that visitation places the custodial parent in danger of harm, the court shall hold a hearing at the earliest possible time to determine the need to modify the order granting visitation rights. The court may require a third party, including the county welfare board, to supervise the visitation or may restrict a parent's visitation rights if necessary to protect the custodial parent from harm.

Sec. 6. [518.1751] [VISITATION DISPUTE RESOLUTION.]

*Subdivision 1. [VISITATION EXPEDITOR.] (a) Upon agreement of all parties, the court may appoint a visitation expeditor to resolve visitation disputes that occur under a visitation order while a matter is pending under this chapter, chapter 257 or 518A, or after a decree is entered.*

*(b) For purposes of this section, "visitation dispute" means a disagreement among parties about visitation with a child. "Visitation dispute" includes a claim by a custodial parent that a noncustodial parent is not visiting a child as well as a claim by a noncustodial parent that a custodial parent is denying or interfering with visitation.*

*Subd. 2. [APPOINTMENT; COSTS.] The court shall appoint the visitation expeditor. If the parties cannot agree on a visitation expeditor, the court shall present a list of candidates with one more candidate than there are parties to the dispute. Each party shall strike one name and the court shall appoint the remaining individual as the visitation expeditor. In its order appointing the visitation expeditor, the court shall apportion the costs of the visitation expeditor among the parties, with each party bearing the portion of costs that the court determines is just and equitable under the circumstances.*

*Subd. 3. [AGREEMENT OR DECISION.] (a) The visitation expeditor shall meet with the parties within five days after appointment and make a diligent effort to facilitate an agreement to resolve the visitation dispute.*

*(b) If the parties do not reach an agreement, the expeditor shall make a decision resolving the dispute as soon as possible. If a party does not comply with an agreement of the parties or a decision of the expeditor, any party may bring a motion with the court to resolve the dispute. The court may consider the agreement of the parties or the decision of the expeditor, but neither is binding on the court.*

*Subd. 4. [OTHER AGREEMENTS.] This section does not preclude the parties from voluntarily agreeing to submit their visitation dispute to a neutral third party.*

Sec. 7. Minnesota Statutes 1988, section 518.552, is amended by adding a subdivision to read:

*Subd. 5. [PRIVATE AGREEMENTS.] Subject to the court's approval, the parties may expressly preclude or limit modification of maintenance through a stipulation. The stipulation must be supported by consideration, following full disclosure of each party's financial circumstances, and must be made a part of a judgment and decree.*

Sec. 8. Minnesota Statutes 1988, section 518.58, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Upon a dissolution of a marriage, an annulment, or in a proceeding for disposition of property following a dissolution of marriage by a court which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to dispose of the property and which has since acquired jurisdiction, the court shall make a just and equitable division of the marital property of the parties without regard to marital misconduct, after making findings regarding the division of the property. The court shall base its findings on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, opportunity for future acquisition of capital assets, and income of each party. The court shall also consider the contribution of each 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. It shall be conclusively presumed that each spouse made a substantial contribution to the acquisition of income and property while

they were living together as husband and wife. The court may also award to either spouse the household goods and furniture of the parties, whether or not acquired during the marriage. The court shall value marital assets for purposes of division between the parties as of the day of the proceeding for dissolution or annulment is commenced initially scheduled prehearing settlement conference, unless a different date is agreed upon by the parties, or unless the court finds determines that the parties subsequently made a good faith reconciliation, in which case the court may establish the valuation date as of the date the reconciliation ended. Within 60 days after a proceeding for dissolution or annulment is commenced, unless the time is extended either by agreement of the parties or by order of the court for good cause shown, each party shall serve and file a verified statement identifying all assets, marital and nonmarital, the values of the assets and the basis for the values, and disclosing all liabilities of the parties another date of valuation is fair and equitable. If there is a substantial change in value of an asset between the date of valuation and the final distribution, the court may adjust the valuation of that asset as necessary to effect an equitable distribution. During the pendency of a marriage dissolution or annulment proceeding, each party owes a fiduciary duty to the other for any profit or loss derived by the party, without consent of the other, from a transaction or from any use by the party of the marital assets.

Sec. 9. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to marriage dissolution; including the primary caretaker standard as a factor to be considered in custody decisions; providing that the court may not use one factor as controlling in determining custody; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve on-going visitation disputes; providing for visitation by persons who have resided with a child; providing that either parent may request visitation rights on behalf of the child; requiring the court to restrict or modify visitation under certain circumstances; permitting agreements about modification of maintenance; modifying provisions dealing with the evaluation of marital property; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivisions 1 and 2; 518.175, subdivisions 1 and 5; 518.552, by adding a subdivision; and 518.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518."

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. 590: A bill for an act relating to veterans; requiring a presentence investigation report on a convicted veteran to include information on whether the veteran is suffering from a posttraumatic stress disorder; requiring the chief executive officers of correctional facilities to provide veteran inmates suffering from posttraumatic stress disorders with appropriate medical care; amending Minnesota Statutes 1988, sections 241.06; and 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. [243.251] [POSTTRAUMATIC STRESS DISORDER.]

*(a) "Veteran" means a person who served in the United States armed forces in a combat zone. "Civilian medical staff" means a nurse or other person with medical training who provided medical care and assistance in a combat zone to members of the United States armed forces.*

*(b) When an inmate who is a veteran or served as a civilian medical staff person is confined in an adult correctional institution under the control of the commissioner of corrections, the chief executive officer shall require the director of inmate classification to determine if the inmate's military duty or civilian medical service was unusually stressful. If the director determines that the inmate's military duty or civilian medical service was unusually stressful, the director shall consider that fact in developing a corrections plan for the inmate."*

Delete the title and insert:

"A bill for an act relating to veterans; requiring corrections officials to consider the fact that a veteran inmate suffers from posttraumatic stress disorder in the preparation of the inmate's corrections plan; proposing coding for new law in Minnesota Statutes, chapter 243."

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. 993: A bill for an act relating to human services; endorsing the store-to-door grocery delivery program for elderly and disabled citizens; appropriating money for a grant to expand the program.

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, 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. 272: A bill for an act relating to veterans; requiring the department of administration to consider sites in other areas of northwestern Minnesota in addition to Fergus Falls for establishment of a veterans home; amending Laws 1988, chapter 689, article 1, section 2, subdivision 5.

Reports the same back with the recommendation that the report from the Committee on Veterans and Military Affairs, shown in the Journal for April 12, 1989, 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. 1373: A bill for an act relating to local government; authorizing the city of St. Louis Park to change the name of the housing and redevelopment authority; permitting the recording of certain deeds.

Reports the same back with the recommendation that the report from the Committee on Local and Urban Government, shown in the Journal for April 10, 1989, be amended to read:

“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. 262: A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; establishing a legislative commission on water; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating water conservation, water appropriations, and setting fees; establishing regulations, enforcing violations, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 5, 12, 15, 19, 21, 26, 30, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 3, 4, and 6; 18B.08, subdivisions 1, 3, and 4; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3 and 7; 18B.34, subdivisions 1, 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, 3, and 4; 40.42, by adding a subdivision; 40.43, subdivisions 2 and 6; 105.41, subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 105.418; 110B.04, subdivision 6; 115B.20; 116C.41, subdivision 1; 144.381; 144.382, subdivision 1, and by adding a subdivision; and 473.877, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 18E; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.15; 18B.16; 18B.18; 18B.19; 18B.20; 18B.21; 18B.22; 18B.23; 18B.25; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 12, line 15, delete the comma

Page 12, delete line 16

Page 12, line 20, after “data” insert “*subject to the approval of the legislative coordinating commission under section 3.305*”

Page 124, line 23, after “action” insert a comma

Amend the title as follows:

Page 1, line 30, after "6;" insert "43A.08, subdivision 1;"

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. 1044: A bill for an act relating to insurance; requiring obligors to issue an insurance identification card; requiring a driver or owner to produce an insurance identification card, policy, or written statement; providing for administrative review; exempting certain vehicles; providing for the impoundment of registration plates; providing for a limited license in certain circumstances; defining terms; providing penalties; amending Minnesota Statutes 1988, sections 65B.67, subdivisions 2 and 4; 168.041, subdivisions 4, 4a, and by adding a subdivision; 169.09, subdivision 14; 171.29, subdivision 1; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.48].

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [65B.482] [DRIVER OR OWNER TO HAVE AN INSURANCE IDENTIFICATION CARD; DEFINITIONS.]

*Subdivision 1. [SCOPE.] For the purposes of sections 2 to 14, the terms defined in this section have the meanings given them.*

*Subd. 2. [INSURANCE IDENTIFICATION CARD.] "Insurance identification card" means a card issued by an obligor to an insured stating that security as required by section 65B.48 has been provided for the insured's vehicle. The card must also state:*

- (1) the insured's name;*
- (2) the policy number;*
- (3) the policy dates of coverage;*
- (4) the make, model, and year of the vehicle being covered;*
- (5) the vehicle identification number or at least the last three digits of that number; and*
- (6) the name of the obligor providing coverage.*

*Subd. 3. [WRITTEN STATEMENT.] "Written statement" means a notarized written statement by a licensed insurance agent in a form acceptable to the commissioner of public safety stating that security has been provided for the insured's vehicle and the dates of such coverage.*

*Subd. 4. [POLICY.] "Policy" means the formal written contract between the insured and the obligor detailing the coverage that has been provided for the insured's vehicle.*

Sec. 2. [65B.483] [OBLIGOR TO ISSUE AN INSURANCE IDENTIFICATION CARD.]

*Every obligor transacting business in this state shall provide at the time*

*of initiating each motor vehicle liability insurance policy and at the time of renewal, an insurance identification card stating:*

- (1) the insured's name;*
- (2) the policy number;*
- (3) the policy dates of coverage;*
- (4) the make, model, and year of the vehicle being covered;*
- (5) the vehicle identification number or at least the last three digits of that number; and*
- (6) the name of the obligor providing coverage.*

*When an insured has five or more vehicles registered in this state, the obligor may use the designation "all owned vehicles" on each identification card in lieu of a specified description.*

Sec. 3. Minnesota Statutes 1988, section 65B.67, subdivision 2, is amended to read:

Subd. 2. [VIOLATION BY OWNER.] Any owner of a motor vehicle or motorcycle with respect to which security is required under sections 65B.41 to 65B.71 who operates the motor vehicle or motorcycle or permits it to be operated upon a public highway, street or road in this state and who knows or has reason to know that the motor vehicle or motorcycle does not have security complying with the terms of section 65B.48, is guilty of a misdemeanor and shall be sentenced as provided in subdivision 4. *A person who violates this subdivision within five years of a prior conviction under this section, or a statute or ordinance from another state in conformity therewith, is guilty of a gross misdemeanor.*

Sec. 4. Minnesota Statutes 1988, section 65B.67, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] Any operator of a motor vehicle or motorcycle who is convicted under the terms of this section, is guilty of a misdemeanor, and shall be sentenced as provided in section 609.03, clause (3). *A person who violates this section within five years of a prior conviction under this section, or a statute or ordinance from another state in conformity therewith, is guilty of a gross misdemeanor. The operator of a motor vehicle or motorcycle who violates subdivision 3 and who causes or contributes to causing a motor vehicle or motorcycle accident which results in the death of any person or in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor.* Also, the operator's driver's license shall be revoked for not more than 12 months. If the operator is also an owner of the motor vehicle or motorcycle, the registration of the motor vehicle or motorcycle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48. The commissioner shall include a notice of the penalties contained in this section on all forms for registration of motor vehicles or motorcycles required to maintain a plan of reparation security.

Sec. 5. Minnesota Statutes 1988, section 168.041, is amended by adding a subdivision to read:

*Subd. 1a. When an owner is convicted under section 169.791, the court shall require the registration plates of the motor vehicle or motorcycle involved in the violation owned by the person to be surrendered to the court for the longer of the following:*

*(1) the remainder of the period of revocation to be served under section 169.792, or*

*(2) until the owner obtains proof of insurance referred to in section 169.792, subdivision 10, satisfactory to the commissioner of public safety, indicating that insurance was in effect at the time of the officer's demand.*

Sec. 6. Minnesota Statutes 1988, section 168.041, subdivision 4, is amended to read:

Subd. 4. If the court issues an impoundment order, the registration plates and certificates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. The court shall forward surrendered registration certificates to the registrar of motor vehicles within seven days after their surrender. The court may destroy the surrendered registration plates. Except as provided in subdivision 1a, 4a, 5, 6, or 7, no new registration plates may be issued to the violator or owner until the driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Sec. 7. Minnesota Statutes 1988, section 168.041, subdivision 4a, is amended to read:

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, or section 169.792, subdivision 8.

Sec. 8. Minnesota Statutes 1988, section 169.09, subdivision 14, is amended to read:

Subd. 14. [PENALTIES.] (a) The driver of any vehicle who violates subdivision 1 or 6 and who caused the accident is punishable as follows:

(1) if the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000, or both;

(2) if the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$10,000, or both; or

(3) if the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver 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 \$5,000, or both.

(b) The driver of any vehicle who violates subdivision 1 or 6 and who did not cause the accident is punishable as follows:

(1) if the accident results in the death of any person, the driver 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 \$5,000, or both;

(2) if the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than one year and one day, or to payment of a fine of not more than \$3,000, or both; or

(3) if the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver 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.

(c) The driver of any vehicle involved in an accident not resulting in substantial bodily harm or death who violates subdivision 1 or 6 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.

(d) ~~Any person who violates subdivision 3, clause (b) is guilty of a petty misdemeanor.~~

(e) Any person who violates subdivision 2, 3, ~~clause (a),~~ 4, 5, 7, 8, 10, 11, or 12 is guilty of a misdemeanor.

The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

Sec. 9. [169.791] [CRIMINAL PENALTY FOR FAILURE TO PRODUCE AN INSURANCE IDENTIFICATION CARD.]

*Subdivision 1. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver shall have in immediate possession at all times when operating a motor vehicle or motorcycle an insurance identification card indicating that insurance covering the vehicle is in effect and shall produce it, upon demand of a peace officer. If the driver is unable to produce the required proof of insurance upon the demand of a peace officer, the driver shall, within ten days after the demand, produce an insurance identification card, as defined under section 65B.482, subdivision 2, or policy, as defined under section 65B.482, subdivision 4, previously issued to the owner for the vehicle that was being operated, or a written statement, as defined under section 65B.482, subdivision 3, stating that security had been provided for the vehicle that was being operated at the time of the demand, to the place stated in the notice provided by the officer. Any driver who fails to produce proof of insurance as required by*

*this section within ten days of the demand is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the driver or to the address stated on the driver's license, and such service by mail is valid notwithstanding section 629.34. It is not a defense to service that a person failed to file a change of address with the post office or failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent any time after the ten-day period. A driver who is not the owner of the motor vehicle or motorcycle does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section.*

**Subd. 2. [REQUIREMENT FOR DRIVER WHO IS NOT THE OWNER.]** *If the driver is not the owner of the vehicle and cannot obtain the required proof of insurance, then the driver shall, within ten days of the officer's demand, inform the officer of the name and address of the owner. Any driver under this subdivision who fails to inform the officer of the name and address of the owner within ten days of the officer's demand is guilty of a misdemeanor.*

**Subd. 3. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.]** *The officer may send or provide a notice to the owner of the motor vehicle or motorcycle requiring the owner to produce the insurance identification card or policy for the vehicle that was being operated or a written statement stating that security had been provided for the vehicle that was being operated at the time of the demand. Within ten days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. Notice by mail is presumed to be received within three days after mailing. Any owner who fails to produce an insurance identification card, policy, or written statement as required by this section is guilty of a misdemeanor. The peace officer may mail the citation to the owner's address given by the driver or stated on the registration certificate of the vehicle. It is not a defense that a person failed to file a change of address with the post office or failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent any time after the ten-day period.*

**Subd. 4. [IMPOUNDMENT OF OWNER'S PLATES.]** *Upon conviction of any owner, whether or not the driver, for failure to produce proof of insurance, the court shall require the registration plates of the motor vehicle involved in the violation owned by the person to be surrendered to the court as provided in this section.*

**Subd. 5. [EXEMPTIONS.]** *Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.*

**Subd. 6. [PENALTY.]** *Any violation of this section is a misdemeanor.*

**Sec. 10. [169.792] [REVOCAION OF LICENSE FOR FAILURE TO PRODUCE AN INSURANCE IDENTIFICATION CARD.]**

**Subdivision 1. [IMPLIED CONSENT.]** *Any driver of a motor vehicle or motorcycle and any owner of a motor vehicle or motorcycle consents, subject to the provisions of this section and section 169.791, to the requirement of having possession of proof of insurance, and to the revocation of*

*the person's license if the driver or owner is unable to produce the required proof of insurance within ten days of an officer's demand. Any driver of a motor vehicle or motorcycle who is not the owner of the motor vehicle or motorcycle consents, subject to the provisions of this section and section 169.791, to providing the name and address of the owner to an officer.*

*Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver of a motor vehicle or motorcycle shall, either immediately or within ten days after the demand of a peace officer, produce an insurance identification card, as defined under section 65B.482, subdivision 2, or policy, as defined under section 65B.482, subdivision 4, previously issued to the owner for the vehicle that was being operated, or a written statement, as defined under section 65B.482, subdivision 3, stating that security had been provided for the vehicle that was being operated at the time of the demand, to the place stated in the notice provided by the officer. A driver who is not the owner does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section.*

*Subd. 3. [REQUIREMENT FOR DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle and cannot obtain the proof of insurance, then the driver shall within ten days of the officer's demand inform the officer of the name and address of the owner.*

*Subd. 4. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] The officer may send or provide a notice to the owner requiring the owner to produce the insurance identification card or policy for the vehicle that was being operated or a written statement stating that security had been provided for the vehicle that was being operated at the time of the demand. Within ten days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. Notice by mail is presumed to be received within three days after mailing. It is not a defense that a person failed to file a change of address with the post office or failed to notify the department of public safety of a change of name or address as required under section 171.11.*

*Subd. 5. [NOTICE OF REVOCATION.] When an insurance identification card is demanded and none is in possession, the officer shall give the driver written notice as provided herein. If the driver is not the owner and does not produce the required proof of insurance within ten days of the demand, the officer may send written notice to the owner of the vehicle. The department of public safety shall prescribe a form setting forth the written notice to be provided to the driver or owner. The notice shall specify the place to which the driver or owner must produce the insurance identification card, policy, or written statement. The notice shall also state:*

*(1) that Minnesota law requires every driver and owner to produce an insurance identification card, policy, or written statement indicating that the vehicle had insurance at the time of an officer's demand, within ten days of the demand;*

*(2) that if the driver fails to produce the information within ten days from the date of demand or if the owner fails to produce the information within ten days of receipt of the notice from the peace officer, the commissioner of public safety shall revoke the person's driver's license or permit to drive, or nonresident operating privileges. The revocation will be effective beginning ten days after the date of notification by the officer to the department of public safety. The person's driver's license or permit to drive,*

*or nonresident operating privileges, shall be revoked for the longer of: (i) not less than 30 days, or (ii) until the driver or owner files proof of insurance with the department of public safety satisfactory to the commissioner of public safety;*

*(3) that any person who displays or causes another to display an insurance identification card, policy, or written statement, knowing that the insurance is not in force, is guilty of a misdemeanor; and*

*(4) that any person who alters or makes a fictitious identification card, policy, or written statement, or knowingly displays an altered or fictitious identification card, policy, or written statement, is guilty of a misdemeanor.*

*Subd. 6. [REPORT TO THE COMMISSIONER OF PUBLIC SAFETY.] If a driver fails to produce a valid insurance identification card, policy, or written statement within ten days of the demand, the officer shall report the failure to the commissioner of public safety and may send a written notice to the owner. If the owner fails to produce a valid insurance identification card, policy, or written statement within ten days of receipt of the notice, the officer shall report the failure to the commissioner of public safety.*

*Subd. 7. [LICENSE REVOCATION.] Upon receiving the notification under subdivision 6, the commissioner of public safety shall revoke the person's driver's license or permit to drive, or nonresident operating privileges. The revocation shall be effective beginning ten days after the date of notification by the officer to the department of public safety. The person's driver's license or permit to drive, or nonresident operating privileges, shall be revoked for the longer of: (i) not less than 30 days, or (ii) until the driver or owner files proof of insurance with the department of public safety satisfactory to the commissioner of public safety indicating that insurance was in effect at the time of the officer's demand.*

*Subd. 8. [ADMINISTRATIVE AND JUDICIAL REVIEW.] At any time during a period of revocation imposed under this section, a driver or owner 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 send the results of the review in writing to the person requesting 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 14.69.*

*The availability of administrative review for an order of revocation shall have no effect upon the availability of judicial review under section 171.19.*

*Subd. 9. [NOTICE OF ACTION TO OTHER STATES.] When it has been finally determined that a nonresident's operating privilege in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which the person has a license.*

*Subd. 10. [TERMINATION OF REVOCATION PERIOD.] Before reinstatement of a driver's license or permit to drive, or nonresident operating privileges, the driver or owner shall produce an insurance identification*



*card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance carrier to be noncancelable for a period not to exceed 12 months. The commissioner of public safety may also require an insurance identification card to be filed with respect to any and all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been revoked as provided in this section before reinstating the person's driver's license.*

*Subd. 11. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.*

**Sec. 11. [169.793] [UNLAWFUL ACTS.]**

*Subdivision 1. [ACTS.] It shall be unlawful for any person:*

*(1) to issue, to display, or to cause or permit to be displayed, or have in possession, an insurance identification card, policy, or written statement knowing or having reason to know that the insurance is not in force or is not in force as to the motor vehicle or motorcycle in question;*

*(2) to alter or make a fictitious insurance identification card, policy, or written statement; and*

*(3) to display an altered or fictitious insurance identification card, insurance policy, or written statement knowing or having reason to know that the proof has been altered or is fictitious.*

*Subd. 2. [PENALTY.] Any person who violates any of the provisions of subdivision 1 is guilty of a misdemeanor.*

**Sec. 12. [169.794] [APPLICATION OF OTHER LAW.]**

*The provisions of section 45.027 do not apply to license revocations under section 169.792.*

**Sec. 13. [169.795] [RULES.]**

*The commissioner of public safety shall adopt rules necessary to implement sections 1 to 15.*

**Sec. 14. [169.796] [VERIFICATION OF INSURANCE COVERAGE.]**

*An insurance company shall release information to the department of public safety or the law enforcement authorities necessary to the verification of insurance coverage. An insurance company or its agent acting on its behalf, or an authorized person who releases the above information, whether oral or written, acting in good faith, is immune from any liability, civil or criminal.*

**Sec. 15. Minnesota Statutes 1988, section 171.30, subdivision 1, is amended to read:**

**Subdivision 1. [ISSUANCE.]** In any case where a person's license has been suspended under section 171.18 or revoked under section 169.121, 169.123, 169.792, or 171.17, the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency

treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

*If the person's driver's license or permit to drive, or nonresident operating privileges, have been revoked under section 169.792, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.*

Sec. 16. [REPEALER.]

*Minnesota Statutes 1988, section 65B.481, is repealed."*

Amend the title as follows:

Page 1, line 13, delete everything before "and"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 611 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.
611	1014				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 611 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 611 and insert the language after the enacting clause of S.F. No. 1014, the first engrossment; further, delete the title of H.F. No. 611 and insert the title of S.F. No. 1014, the first engrossment.

And when so amended H.F. No. 611 will be identical to S.F. No. 1014, and further recommends that H.F. No. 611 be given its second reading and substituted for S.F. No. 1014, 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. 719 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.
719	1041				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 719 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 719 and insert the language after the enacting clause of S.F. No. 1041, the first engrossment; further, delete the title of H.F. No. 719 and insert the title of S.F. No. 1041, the first engrossment.

And when so amended H.F. No. 719 will be identical to S.F. No. 1041, and further recommends that H.F. No. 719 be given its second reading and substituted for S.F. No. 1041, 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. 187, 1031, 1237, 132, 1150, 912, 573, 590 and 1373 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 611 and 719 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Freeman moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Marty be added as chief author to S.F.

No. 548. The motion prevailed.

Mr. Cohen moved that his name be stricken as a co-author to S.F. No. 1123. The motion prevailed.

Mr. Novak moved that the names of Messrs. Marty and Vickerman be added as co-authors to S.F. No. 1248. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1416. The motion prevailed.

Mr. Luther moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1484. The motion prevailed.

Mr. Dahl moved that the name of Mr. Metzen be added as a co-author to S.F. No. 1499. The motion prevailed.

Mr. Morse moved that the name of Mr. Marty be added as a co-author to S.F. No. 1551. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 1558. The motion prevailed.

Mr. Metzen moved that his name be stricken as a co-author to S.F. No. 1560. The motion prevailed.

Mr. Solon moved that the name of Mr. Benson be added as a co-author to S.F. No. 1560. The motion prevailed.

Mr. Novak moved that the name of Mr. Marty be added as a co-author to S.F. No. 1567. The motion prevailed.

Mr. Luther moved that the names of Messrs. Moe, R.D.; Solon; Chmielewski and Dahl be added as co-authors to S.F. No. 1573. The motion prevailed.

Mr. Diessner introduced—

Senate Resolution No. 104: A Senate resolution congratulating Aaron Nelson for his participation in the Dallas Cup X Soccer Tournament.

Referred to the Committee on Rules and Administration.

Mr. Diessner introduced—

Senate Resolution No. 105: A Senate resolution congratulating Don Gramenz for his participation in the Dallas Cup X Soccer Tournament.

Referred to the Committee on Rules and Administration.

Messrs. Laidig and Diessner introduced—

Senate Resolution No. 106: A Senate resolution congratulating the Stillwater High School Boys Basketball Team for their Third-place finish in the 1989 Class AA State High School Boys Basketball Tournament.

Referred to the Committee on Rules and Administration.

Messrs. Laidig and Diessner introduced—

Senate Resolution No. 107: A Senate resolution congratulating Daren Danielson of the Stillwater High School Boys Basketball Team for being named Most Valuable Player.

Referred to the Committee on Rules and Administration.

Messrs. Bertram and Pehler introduced—

Senate Resolution No. 108: A Senate resolution congratulating the Diocese of Saint Cloud on its centennial anniversary.

Referred to the Committee on Rules and Administration.

Mr. Frank moved that S.F. No. 163 be taken from the table. The motion prevailed.

S.F. No. 163: A bill for an act relating to traffic regulations; regulating U-turns; providing for color and equipment requirements on school buses carrying ten or more persons; establishing conditions under which school bus drivers must activate flashing amber lights; providing for bumper requirements on private passenger vehicles; amending Minnesota Statutes 1988, sections 169.19, subdivision 2; 169.44, subdivisions 1a and 2; and 169.73.

Mr. Frank moved that S.F. No. 163 be laid on the table. 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. 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. 738, 827, 184, 787, 829, 986, 624, 321, 535, 1106, 1270, 119, 695, 1082 and H.F. No. 553, which the committee recommends to pass.

S.F. No. 235, which the committee reports progress, subject to the following motions:

Mr. Marty moved to amend S.F. No. 235 as follows:

Page 9, line 6, delete "50" and insert "40"

The motion prevailed. So the amendment was adopted.

Mr. Novak moved to amend S.F. No. 235 as follows:

Page 10, after line 17, insert:

"Sec. 3. [APPLICABILITY.]

*Sections 1, 2, and 4 shall not apply to any state-licensed residential facility licensed before January 1, 1989, or to any nonlicensed supportive independent living facility in operation on or before January 1, 1989."*

Page 10, line 18, delete "3" and insert "4"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	McGowan	Renneke
Belanger	Diessner	Knaak	McQuaid	Samuelson
Berg	Frank	Knutson	Mehrkens	Stumpf
Bertram	Frederick	Laidig	Metzen	Taylor
Brataas	Frederickson, D.J.	Langseth	Novak	
Cohen	Frederickson, D.R.	Larson	Olson	
Dahl	Gustafson	Lessard	Pariseau	
Decker	Johnson, D.E.	Luther	Ramstad	

Those who voted in the negative were:

Beckman	Davis	Merriam	Piper	Storm
Benson	Dicklich	Moe, D.M.	Pogemiller	Vickerman
Berglin	Freeman	Moe, R.D.	Reichgott	Waldorf
Bernhagen	Kroening	Morse	Schmitz	
Brandl	Lantry	Pehler	Solon	
Chmielewski	Marty	Peterson, D.C.	Spear	

The motion prevailed. So the amendment was adopted.

S.F. No. 235 was then progressed.

S.F. No. 665, which the committee recommends to pass with the following amendments offered by Messrs. Diessner and Knaak:

Mr. Diessner moved to amend S.F. No. 665 as follows:

Page 1, line 15, before "When" insert "(a)"

Page 1, lines 21 to 28, delete the new language

Page 2, after line 5, insert:

*"(b) The owner of a motor vehicle may apply for and secure a set of special plates for a motor vehicle if:*

*(1) the owner employs a permanently physically handicapped person who would qualify for special plates under this section; and*

*(2) the owner furnishes the motor vehicle to the physically handicapped person for the exclusive use of that person in the course of employment."*

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 665 as follows:

Page 2, line 26, delete everything after "may" and insert "waive the requirement of providing a"

Page 2, line 27, delete everything before "statement"

Page 2, lines 28 and 29, delete ":

(1)"

Page 2, line 31, delete the semicolon and insert a period

Page 2, delete lines 32 to 34

Amend the title as follows:

Page 1, line 6, delete "accept photograph instead" and insert "waive requirement"

The motion prevailed. So the amendment was adopted.

S.F. No. 851, which the committee recommends to pass with the following amendment offered by Mr. McGowan:

Page 3, line 17, before "169.129" insert "84.91, subdivision 1, paragraph (a), section" and after "169.129" insert ", section 361.12, subdivision 1."

Page 3, line 33, strike "previous" and insert "prior impaired driving" and strike "under this section"

The motion prevailed. So the amendment was adopted.

S.F. No. 1016, which the committee recommends to pass with the following amendment offered by Mr. Decker:

Page 1, line 24, delete "destruction" and insert "euthanasia or adoption as a pet"

Page 2, after line 9, insert:

"(f) Section 35.71 does not apply to an ordinance adopted under this section."

The motion prevailed. So the amendment was adopted.

S.F. No. 263, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.J.:

Page 1, after line 5, insert:

"Section 1. [116.38] [LOCAL APPROVAL FOR BURNING OF PCBs.]

*Subdivision 1. [LOCAL APPROVAL REQUIRED.] Except as provided in subdivision 2, a person may not dispose of PCBs by burning unless the town or home rule charter or statutory city where the burning facility is located approves the burning by referendum.*

*Subd. 2. [EXEMPTION.] Notwithstanding subdivision 1, a person may burn small quantities of PCBs as determined by the agency by rule."*

Page 1, line 7, delete "sections 116.36 and" and insert "section" and delete "are" and insert "is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 116;" and delete "sections" and insert "section 116.37."

Page 1, delete line 4

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Peterson, D.C.	Solon
Belanger	Dicklich	Kroening	Peterson, R.W.	Spear
Benson	Frederick	Langseth	Piper	Storm
Berglin	Frederickson, D.J.	Larson	Pogemiller	Stumpf
Bernhagen	Freeman	Luther	Ramstad	Vickerman
Bertram	Gustafson	McGowan	Reichgott	
Chmielewski	Johnson, D.E.	Metzen	Renneke	
Davis	Johnson, D.J.	Moe, R.D.	Samuelson	
Decker	Knaak	Morse	Schmitz	

Those who voted in the negative were:

Brandl	Diessner	Laidig	McQuaid	Olson
Brataas	Frank	Lantry	Mehrkens	Pariseau
Dahl	Frederickson, D.R.	Marty	Merriam	Taylor

The motion prevailed. So the amendment was adopted.

S.F. No. 280, which the committee recommends to pass with the following amendment offered by Mr. Benson:

Page 1, line 10, delete "*a person may*" and insert "*a county board may authorize persons hunting fox to*"

The motion prevailed. So the amendment was adopted.

S.F. No. 109, which the committee reports progress, subject to the following motions:

Mr. Knaak moved to amend S.F. No. 109 as follows:

Pages 1 and 2, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "sections 177.32, subdivision 1; and" and insert "section"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend S.F. No. 109 as follows:

Page 2, delete section 3

Amend the title as follows:

Page 1, line 4, delete "sections" and insert "section" and delete "and 177.33;"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 109 as follows:

Page 1, line 8, delete "*must*" and insert "*may*"

Page 1, line 9, delete "*six*" and insert "*eight*"

Mr. Peterson, R.W. requested division of the amendment as follows:

First portion:

Page 1, line 8, delete "*must*" and insert "*may*"

Second portion:

Page 1, line 9, delete "*six*" and insert "*eight*"

The question was taken on the adoption of the first portion of the amendment. The motion did not prevail. So the first portion of the amendment was not 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.

S.F. No. 109 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**

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. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1223: A bill for an act relating to agriculture; changing the dairy industry checkoff rate; amending Minnesota Statutes 1988, section 17.59, 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 1988, section 17.59, is amended by adding a subdivision to read:

*Subdivision 1a. [DAIRY INDUSTRY CHECKOFF RATE.] (a) Notwithstanding subdivision 1, the Minnesota dairy research and promotion order, or any provision to the contrary in this chapter or rules adopted under this chapter, the checkoff rate applicable to the dairy research and promotion council must be equal to the maximum credit allowed under the Dairy Promotion and Research Order, adopted under the Dairy Production Stabilization Act of 1983, United States Code, title 7, sections 4501 to 4538, for producers participating in a qualified state or regional dairy product promotion or nutrition education program. The checkoff rate provided in this subdivision is effective and must be automatically adjusted without amendment to the Minnesota dairy research and promotion order.*

*(b) Subdivision 1 applies for the establishment of the checkoff rate applicable to the dairy research and promotion council if:*

*(1) the Dairy Production Stabilization Act of 1983 is repealed;*

*(2) the Dairy Promotion and Research Order is suspended or terminated, in which case subdivision 1 applies only during the period of suspension or termination; or*

*(3) the federal credit for participation in a qualified state or regional dairy product or nutrition education program is eliminated.*

Sec. 2. Laws 1988, chapter 688, article 3, section 1, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The Minnesota dairy task force shall by June 1, 1989 1990:

(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;

(6) recommend legislation needed to accomplish the objectives and goals in subdivision 2; and

(7) examine available data on patterns and relationships between changes in the purchase price of raw milk from dairy farmers and changes in the retail price of dairy products purchased by the consumer.

Sec. 3. Laws 1988, chapter 688, article 3, section 2, is amended to read:

Sec. 2. [REPORT.]

The Minnesota dairy task force shall prepare and submit an interim report on its activities, accomplishments, and recommendations to the committees on agriculture of the senate and house of representatives by February 1, ~~1989~~ 1990.

Sec. 4. Laws 1988, chapter 688, article 3, section 3, is amended to read:

Sec. 3. [REPEALER.]

Section 1 is repealed effective June 30, ~~1990~~ 1991.

Sec. 5. [APPROPRIATION.]

*\$30,000 is appropriated from the dairy unfair trade practices account to the commissioner of agriculture to be available until June 30, 1991, to be matched on a one-to-one basis by money from private sources to pay for the expenses of the Minnesota dairy task force and pilot projects under Laws 1988, chapter 688, article 3, section 1."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "extending the Minnesota dairy task force; appropriating money;"

Page 1, line 4, before the period, insert "; and Laws 1988, chapter 688, article 3, sections 1, subdivision 3; 2; and 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 and Rural Development, to which was referred

S.F. No. 1545: A bill for an act relating to rural development; providing for research and development; providing mechanisms for agriculture diversification; appropriating money; amending Laws 1985, chapter 19, section 2, subdivision 2, as amended, and section 6, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

**“Section 1. [17.231] [NATIVE GRASSES AND WILDFLOWER SEED PRODUCTION INCENTIVE LOAN PROGRAM.]**

*Subdivision 1. [ESTABLISHMENT.] (a) The commissioner shall establish a seed production incentive loan program to provide loans that enable farmers to begin or expand efforts to develop and produce new, local-origin, native grass and wildflower seed varieties.*

*(b) The commissioner shall designate southwest, southeast, east central, northwest, and northeast regions covering the entire state. The commissioner shall design the loan program to produce ten local variety grass species and 40 local variety wildflower species for each region. The commissioner shall develop the program to produce 100 acres of grass seed production and ten acres of wildflower seed production in each region.*

*Subd. 2. [LOAN CRITERIA.] (a) The loan program must provide loans for operating and capital costs related to the development and production of native grass and wildflower seeds during the research and development phase.*

*(b) Loans may not exceed \$225 per acre per year of native grass and wildflower seed for each person or entity applying for a loan over an expected average development period of five years. Subject to subdivision 1, the loan repayment period may not exceed eight years. Repayment of the loan is to be made at six percent per annum above the original loan amount.*

*(c) Loans may only be made to residents of this state.*

*Subd. 3. [AWARDING OF LOANS.] (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.*

*(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The panel shall be chaired by the commissioner or the commissioner's designee. The loan review panel must consist of two lenders with agricultural experience, a representative from the department of transportation and a representative from the department of natural resources who possess expert knowledge in native plants and grasses, and a farm management specialist.*

*(c) The loan review panel shall rank applications according to the following criteria:*

*(1) evidence of a viable business plan;*

*(2) demonstrated knowledge of the ecology of native grasses and wildflowers and the development, production, and management of them;*

*(3) evidence that the land intended for seed production is capable of the production; and*

*(4) the appropriateness to the locality of the seeds to be produced and their appropriateness to regional and state production needs.*

*(d) The commissioner shall consider the recommendations of the loan review panel and may make loans for eligible projects. Priority must be given based on local origin appropriateness and appropriateness to regional and state production needs.*

*Subd. 4. [ADMINISTRATION; INFORMATION DISSEMINATION.] (a)*

*A seed loan account is established in the state treasury. The amount in the seed loan account is appropriated to the commissioner to make loans under this section and administer the loan program. Loans are to be made on forms prescribed by the commissioner. The interest on the money in the seed loan account may be used by the commissioner for administrative expenses.*

*(b) The seed produced is intended to be used to fulfill state agency needs for seeds and the purchase shall be arranged on a contract basis with state agencies in each biennium that program seed is available. The commissioner shall collect and disseminate information relating to projects for which loans are given under this section and report to the standing legislative committees on agriculture by February 1 of each year.*

**Sec. 2. [REACTIVATION OF THE AGRICULTURAL DATA COLLECTION TASK FORCE.]**

*The agricultural data collection task force created by Laws 1985, chapter 19, as reactivated and amended by Laws 1986, chapter 398, article 11, and Laws 1987, chapter 396, article 5, is reactivated.*

Sec. 3. Laws 1985, chapter 19, section 2, subdivision 2, as amended by Laws 1986, chapter 398, article 11, section 2, and Laws 1987, chapter 396, article 5, section 2, is amended to read:

Subd. 2. [DUTIES.] The duties of the *agricultural* data collection task force are to:

(1) continue the uniform procedure for collecting data on the financial status of agriculture in Minnesota;

(2) report the results of the program to the legislature no later than December 31 of each fiscal year the *agricultural* data collection task force is funded.

Sec. 4. Laws 1985, chapter 19, section 6, subdivision 6, as amended by Laws 1986, chapter 398, article 11, section 4, and Laws 1987, chapter 396, article 5, section 3, is amended to read:

Subd. 6. [EXPIRATION.] The *agricultural* data collection task force expires April 15, ~~1989~~ 1991, or 15 days after reporting to the legislature whichever date comes later, but in no circumstance later than June 1, ~~1989~~ 1991.

**Sec. 5. [APPROPRIATIONS.]**

*Subdivision 1. [MARKET OPPORTUNITY RESEARCH.] \$100,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1991, to expand the amount of information on the availability of foreign and domestic markets to producers and processors in the state including feasibility of markets for existing products, research for markets for new potential crops in the state, and analysis of existing market structure for state products.*

*The complement of the department of agriculture is increased by one position.*

Subd. 2. [MARKETING INFORMATION AND DIRECT MARKETING ASSISTANCE FOR AGRICULTURAL PRODUCTS.] *\$200,000 is appropriated from the general fund to the commissioner of agriculture to be*

*available until June 30, 1991. The commissioner must use the appropriation to assist producers in overcoming obstacles to direct marketing to both domestic and foreign markets, and to assist producers in organizing and marketing through producer organizations, such as producer and marketing cooperatives.*

*The complement of the department of agriculture is increased by two positions.*

*Subd. 3. [NATIVE GRASSES AND WILDFLOWER SEED PRODUCTION INCENTIVE LOAN PROGRAM.] \$100,000 is appropriated from the general fund to the seed loan account to be available until June 30, 1991, to be administered by the commissioner of agriculture for the seed production incentive loan program.*

*Subd. 4. [TECHNICAL INFORMATION ON NATIVE SEED PRODUCTION.] \$ . . . . . is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1991, for development of technical information on native seed development.*

*Subd. 5. [BLUEGRASS RESEARCH AND EVALUATION.] \$70,000 is appropriated from the general fund to the University of Minnesota to be available until June 30, 1991, for bluegrass seed production research and seed and turf evaluation.*

*Subd. 6. [AGRICULTURAL CONTRACT TASK FORCE.] \$50,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1990, to provide support services for the agricultural contract task force under Laws 1988, chapter 688, article 13, section 1, to compile and analyze the laws of other states relating to agricultural contracting issues, coordinate production of a brochure for producers with information about agricultural contracting, and to prepare and submit a final report and recommendations to the legislature by January 1, 1991.*

*Subd. 7. [AGRICULTURAL DATA COLLECTION TASK FORCE.] \$30,000 is appropriated from the general fund to the legislative advisory commission to be available until June 30, 1991, to fund the activities of the agricultural data collection task force.*

*Subd. 8. [ORGANIC CERTIFICATION.] \$200,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1991, for a grant to an organic certification organization to continue the certification program for organically grown seeds, products, and food as authorized in Minnesota Statutes, section 31.95."*

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. 1560: A bill for an act relating to commerce; creating a lien for public improvements and expenditures made for the benefit of certain corporations; proposing coding for new law in Minnesota Statutes, chapter 514.

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. 1251: A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; requiring reasonable cost controls that do not impair the quality or amount of services provided; requiring that the association develop new methods to enlist the participation of the enrollee in the control of health care costs; requiring the writing carrier to be liable for the direct and indirect expenses of administration; making technical changes; amending Minnesota Statutes 1988, sections 62D.181, subdivisions 4 and 8; 62E.02, subdivision 18; 62E.08, by adding a subdivision; 62E.09; 62E.10, subdivisions 1, 2, 3, 7, and 9; 62E.11, subdivisions 3, 4, 9, and 10; 62E.12; 62E.13, subdivisions 2, 3, and 5; and 62E.16; repealing Minnesota Statutes 1988, sections 62E.02, subdivisions 21, 22, and 23; 62E.035; 62E.08, subdivisions 1 and 2; 62E.11, subdivisions 5, 6, and 7; and 62E.13, subdivision 7.

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 1988, section 62E.08, subdivision 1, is amended to read:

Subdivision 1. The association shall establish the following ~~maximum~~ premiums to be charged for membership in the comprehensive health insurance plan:

(a) The premium for the number one qualified plan ~~shall be up to a maximum of~~ is 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number one individual qualified plan of insurance in force in Minnesota;

(b) The premium for the number two qualified plan ~~shall be up to a maximum of~~ is 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number two individual qualified plan of insurance in force in Minnesota;

(c) The premium for a qualified medicare supplement plan ~~shall be up to a maximum of~~ is 125 percent of the average of rates charged by the five insurers with the largest number of individuals enrolled in a qualified medicare supplement plan; and

(d) The charge for health maintenance organization coverage shall be based on generally accepted actuarial principles.

The five insurers whose rates are used to establish the premium for each type of coverage offered by the association shall be determined by the commissioner on the basis of information provided by all insurers annually at the commissioner's request, concerning the number of individual qualified plans and qualified medicare supplement plans or actuarially equivalent plans offered by the insurer and rates charged by the insurer for each type of plan offered by the insurer. In determining the insurers whose rates shall be used in establishing the premium, the commissioner shall utilize generally accepted actuarial principles and structurally compatible rates. Subject to this subdivision, the commissioner shall include any insurer operating pursuant to chapter 62C in establishing the premium. In establishing premiums pursuant to this section, the association shall utilize generally accepted actuarial principles, provided that the association shall not discriminate in charging premiums based upon sex.

Sec. 2. Minnesota Statutes 1988, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; DUTIES; TAX EXEMPTION.] (a) There is established a comprehensive health association.

(b) *The comprehensive health association shall:*

(1) *oversee the operation and management of the state plan;*

(2) *ensure that costs associated with the delivery of health care services to persons covered under the state plan, including both the costs of claims and the direct and indirect expenses of administration, and the costs arising out of the association's performance of its functions and obligations, are effectively and responsibly controlled;*

(3) *establish, through innovative cost and quality control programs including programs providing for the use of health care outcomes and other data in the choice and regulation of health care services, mechanisms to ensure that cost controls do not have a significant negative impact on the access to services or the quality or effectiveness of health care services actually provided to enrollees; and*

(4) ~~to~~ *promote the public health and welfare of the state of Minnesota with.*

(c) *The membership consisting of all the comprehensive health association consists of insurers, self-insurers, fraternal, and health maintenance organizations licensed or authorized to do business in this state.*

(d) *The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.*

Sec. 3. Minnesota Statutes 1988, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] (a) *The board of directors of the association shall be made up of nine members as follows: five insurer directors selected by participating members, subject to approval by the commissioner; four public directors selected by the commissioner. Public members may include licensed insurance agents. Each of the five insurer directors shall have experience in one or more of the following:*

(1) *the management of costs associated with the delivery of health care services, including both the costs of claims and the direct and indirect expenses of administering a health care delivery system;*

(2) *the management of health care information systems, specifically including systems designed for the collection, synthesis, and use of health outcomes data in decisions affecting the delivery of health care services and the control of costs associated with such services; or*

(3) *the management of health care quality assurance systems and programs.*

(b) *The term of members of the board of directors is three years, and shall be staggered so that the terms of no more than three directors expire in any one year. No director shall serve more than two terms, in succession or otherwise.*

(c) *In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted*

vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, or health maintenance contract payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner.

(d) In approving directors of the board, the commissioner shall consider, among other things, *whether the requirements in paragraph (a) have been satisfied, and whether all types of members are fairly represented.* Insurer directors may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 4. Minnesota Statutes 1988, section 62E.10, subdivision 2a, is amended to read:

Subd. 2a. [APPEALS.] A person may appeal to the commissioner within 30 days after notice of an action, ruling, or decision by the board. *If the dispute relates to the rights and benefits of coverage available under the plan, the person must first exhaust the writing carrier's internal grievance process before appealing to the commissioner, unless exhaustion of the internal grievance process may delay the provision of medical care necessary to sustain life or to avoid substantial injury to the insured. If the internal grievance process is not concluded within 45 days after it is commenced, the person may appeal to the commissioner before the internal process has been exhausted.* A final action or order of the commissioner under this subdivision is subject to judicial review in the manner provided by chapter 14. In lieu of the appeal to the commissioner, a person may seek judicial review of the board's action.

Sec. 5. Minnesota Statutes 1988, section 62E.10, subdivision 7, is amended to read:

Subd. 7. [GENERAL POWERS.] The association may:

(a) Exercise the powers granted to insurers under the laws of this state;

(b) Sue or be sued;

(c) Enter into contracts with insurers, similar associations in other states or with other persons for the performance of administrative functions including the functions provided for in clauses (e) and (f);

(d) Establish administrative and accounting procedures for the operation of the association;

(e) Provide for the reinsuring of risks incurred as a result of issuing the coverages required by sections 62E.04 and 62E.16 by members of the association. Each member which elects to reinsure its required risks shall determine the categories of coverage it elects to reinsure in the association. The categories of coverage are:

(1) Individual qualified plans, excluding group conversions;

(2) Group conversions;

(3) Group qualified plans with fewer than 50 employees or members; and

(4) Major medical coverage.



A separate election may be made for each category of coverage. If a member elects to reinsure the risks of a category of coverage, it must reinsure the risk of the coverage of every life covered under every policy issued in that category. A member electing to reinsure risks of a category of coverage shall enter into a contract with the association establishing a reinsurance plan for the risks. This contract may include provision for the pooling of members' risks reinsured through the association and it may provide for assessment of each member reinsuring risks for losses and operating and administrative expenses incurred, or estimated to be incurred in the operation of the reinsurance plan. This reinsurance plan shall be approved by the commissioner before it is effective. Members electing to administer the risks which are reinsured in the association shall comply with the benefit determination guidelines and accounting procedures established by the association. The fee charged by the association for the reinsurance of risks shall not be less than 110 percent of the total anticipated expenses incurred by the association for the reinsurance; ~~and~~

(f) Provide for the administration by the association of policies which are reinsured pursuant to clause (e). Each member electing to reinsure one or more categories of coverage in the association may elect to have the association administer the categories of coverage on the member's behalf. If a member elects to have the association administer the categories of coverage, it must do so for every life covered under every policy issued in that category. The fee for the administration shall not be less than 110 percent of the total anticipated expenses incurred by the association for the administration;

*(g) Establish a fee schedule for payments for services covered by the comprehensive health insurance plan. The fee schedule must be designed to reduce the amount paid for services rendered under the plan without substantially reducing the access to services or quality of services. As a condition of receiving a payment for services covered by the plan, a provider must agree not to charge to or collect from the enrollee any amount in excess of the fee schedule payment for a service. A provider who accepts a payment from the writing carrier is deemed to have agreed to this condition;*

*(h) Provide for the assignment of benefits on the terms and subject to the conditions the association determines are appropriate; and*

*(i) Provide for the development of new methods to allow the enrollee to participate in the choice and regulation of the enrollee's own health care in accordance with the principle that participation by the health care consumer in decisions affecting care is the most effective means of ensuring that the health care services actually rendered are necessary, low in cost, and reasonably effective.*

Sec. 6. Minnesota Statutes 1988, section 62E.10, subdivision 9, is amended to read:

Subd. 9. [~~STUDIES, DEMONSTRATION PROJECTS, AND EXPERIMENTAL DELIVERY METHOD SYSTEMS.~~] ~~The association may petition the commissioner of commerce for a waiver to allow the experimental use of alternative means of health care delivery. The commissioner may approve the use of the alternative means the commissioner considers appropriate. The commissioner may waive any of the requirements of this chapter and chapters 60A, 62A, and 62D in granting the waiver. The commissioner may also grant to the association any additional powers as are necessary~~

to facilitate the specific waiver, including the power to implement a provider payment schedule.

This subdivision is effective until August 1, 1990.

The commissioner of commerce in consultation with the governor's commission on health plan regulatory reform shall study and report to the legislature by January 15, 1989, on the current means utilized to finance the annual operating deficits incurred under the association. In conducting the study, the commissioner shall analyze any negative financial impacts which the current deficits are having on the contributing members of the association and recommend alternative sources of funding or other approaches which could be utilized to finance the operating deficit. The study shall also address the current association funding inequities between employers which self-insure for employee health benefit coverage and those employers which have health coverage subject to state regulation. *The association shall conduct studies, demonstration projects, and experimental delivery systems the association considers appropriate to give effect to the principles in section 62E.10, subdivisions 1, paragraph (b), and 7, paragraph (h). The studies, demonstration projects, and experimental delivery systems may be administered by the writing carrier or by third parties the association in its discretion considers most likely to achieve its purposes. The writing carrier, as a condition of its acceptance of a contract to provide comprehensive health insurance, shall agree to provide data and information for studies and demonstration projects and other experimental delivery systems the association considers appropriate in discharging its obligations under this section.*

Sec. 7. Minnesota Statutes 1988, section 62E.12, is amended to read:

**62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.]**

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, a number two qualified plan and a qualified medicare supplement plan. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of:

- (1) services of a private duty nurse other than on an inpatient basis ~~and~~;
- (2) any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner; *and*
- (3) *services that are not medically necessary.*

Sec. 8. [RESEARCH AND DATA COLLECTION; REPORT.]

*Subdivision 1. [SPECIAL PROJECTS.] To the extent possible under the terms of existing contracts with the writing carrier, the board shall conduct studies, demonstration projects, and experimental delivery systems under section 6.*

*Subd. 2. [DATA COLLECTION.] The board of directors of the comprehensive health association shall collect and analyze information and data concerning:*

- (1) the characteristics of the persons enrolled in the comprehensive health insurance plan;*
- (2) the types and locations of providers who serve enrollees;*
- (3) the amounts of payments made to providers for covered services; and*
- (4) other related information.*

*Subd. 3. [REPORT.] The board shall review the data collected under subdivision 2 and other relevant data and research relating to the delivery of health care, and report to the legislature by November 1, 1990, with recommendations for administrative and legislative changes to improve the efficiency and effectiveness of the comprehensive health insurance plan. The board shall propose specific language for legislation to accompany any recommendation for legislative change. The report must include at least the following:*

- (1) a discussion of the feasibility of an assumption of risk by the writing carrier;*
- (2) an analysis of the risk factors in the population served by the plan;*
- (3) a discussion of the feasibility of developing and implementing outcome measurements;*
- (4) a description of the types and locations of medical providers who serve enrollees and a comparison of provider payments to payments made by other payers;*
- (5) a description and analysis of the demographics of the enrollee population;*
- (6) a description and evaluation of studies, demonstration projects, and experimental delivery systems conducted under section 6;*
- (7) an analysis of potential cost-containment activities and alternative health care delivery methods; and*
- (8) other information and recommendations the board considers appropriate.*

**Sec. 9. [EFFECTIVE DATE.]**

*Section 1 is effective July 1, 1989, and applies to policies issued or renewed on or after that date."*

Delete the title and insert:

*"A bill for an act relating to health insurance; changing premiums, coverage, and administrative procedures relating to the comprehensive health insurance plan; requiring a report; amending Minnesota Statutes 1988, sections 62E.08, subdivision 1; 62E.10, subdivisions 1, 2, 2a, 7, and 9; and 62E.12."*

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. Solon from the Committee on Commerce, to which was referred

S.F. No. 1573: A bill for an act relating to commerce; regulating divesting transactions involving a principal domestic subsidiary; authorizing the metropolitan airports commission to approve a change in control of a major tenant at the Minneapolis-St. Paul International Airport; modifying standards that may be considered by certain investment fiduciaries; providing for worker and consumer protections after a leveraged buyout; imposing a tax on golden parachute compensation agreements; amending Minnesota Statutes 1988, sections 80B.01, subdivisions 1, 10, and by adding subdivisions; 268.07, subdivision 2; and 302A.011, subdivision 41, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 80B; 290; 300; 302A; and 325E; proposing coding for new law as Minnesota Statutes, chapters 268A; and 360A.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 7, delete article 1

Page 7, line 12, delete "2" and insert "1"

Page 10, line 36, delete the first comma and insert "and" and delete everything after the first "revenues"

Page 11, line 1, delete "operating income"

Page 20, line 16, delete "31" and insert "15"

Page 21, line 6, delete "May 1" and insert "April 17"

Page 21, after line 30, insert:

## "ARTICLE 2

### METROPOLITAN AIRPORTS COMMISSION PROPRIETARY APPROVAL OF ACQUISITION OF MAJOR AIRPORT TENANT

#### Section 1. [PUBLIC INTEREST AND PURPOSE.]

*The state of Minnesota, acting in a proprietary capacity through the metropolitan airports commission, has made a substantial public investment in the construction and maintenance of the Minneapolis-St. Paul International Airport. It continues to invest large sums of money to consider expansion of existing airport facilities and the possibility of a new airport facility. The airport has been a significant element in the development of the state and the communities served by the airport. A readily accessible and available transportation system has been developed around the airport that is relied upon by the public, consumers, and businesses. The public, consumers, and businesses have located residences and operations in this state in reliance upon the success of the airport and the transportation system it has created.*

*Tenants of the airport, particularly major tenants, have substantially benefited from the airport facilities. The airport facilities have enabled the tenants, particularly major tenants, to schedule flights to the Minneapolis-St. Paul metropolitan area and to derive economic profit with respect to passengers traveling to and from this area.*

*The continued success of the Minneapolis-St. Paul International Airport and the critically important transportation system it has fostered is highly*

*dependent upon the reliability of tenants of the airport and, in particular, any major tenant. In order to ensure the continued success of the airport and protect the state's proprietary interest, including the financial stability of the airport and environmental concerns relating to the airport, it is deemed necessary and prudent by the legislature to require that any acquisition of a major tenant of the airport be approved by the metropolitan airports commission and to allow the commission to deny an acquisition of a major tenant of the airport if the acquisition is clearly against the proprietary interests of the state and the metropolitan airports commission. This act is promulgated to enforce and protect the proprietary interests of the state and the metropolitan airports commission in accordance with their proprietary powers and rights as a public owner and operator of the Minneapolis-St. Paul International Airport.*

**Sec. 2. [360A.01] [DEFINITIONS.]**

*Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter.*

*Subd. 2. [AFFILIATE.] "Affiliate" of another person means any person directly or indirectly controlling, controlled by, or under common control with the other person.*

*Subd. 3. [AIRCRAFT HOLD ROOM.] "Aircraft hold room" means a room located on one of the concourses at the airport from which passengers gain immediate access to and from airplanes.*

*Subd. 4. [AIRPORT.] "Airport" means the Minneapolis-St. Paul International Airport.*

*Subd. 5. [MAJOR TENANT.] "Major tenant" means a person whose principal executive office is located in Minnesota and who, by itself or together with any affiliates:*

*(1) leases through any written, oral, express, or implied agreement, at least 40 percent of the aircraft hold rooms at the airport; or*

*(2) pays in excess of 30 percent of the annual revenues generated by the metropolitan airports commission.*

*Subd. 6. [PERSON.] "Person" means a natural person, corporation, partnership, limited partnership, joint venture, association, business trust, estate, trust, enterprise, or any other legal or commercial entity.*

*Subd. 7. [PRINCIPAL EXECUTIVE OFFICE.] "Principal executive office" means the main or head office facility of a person.*

**Sec. 3. [360A.02] [ACQUISITION OF MAJOR TENANT.]**

*Subdivision 1. [METROPOLITAN AIRPORTS COMMISSION APPROVAL.] No person shall directly or indirectly acquire greater than a 20 percent ownership interest in a major tenant, acquire all or substantially all of the property and assets of a major tenant, or acquire greater than a 20 percent ownership interest in a person that owns or controls a major tenant without first obtaining approval from the metropolitan airports commission to consummate the acquisition. For purposes of this section, a person owns a major tenant if the person holds greater than a 50 percent ownership interest in the major tenant.*

*Subd. 2. [FILING INFORMATION.] A person proposing an acquisition*

*under subdivision 1 shall file an information statement with the metropolitan airports commission containing the following information:*

- (1) a description of the proposed acquisition;*
- (2) plans or proposals of the person regarding use of the airport facilities;*
- (3) plans or proposals of the person to protect environmental concerns relating to the airport, including noise and air pollution;*
- (4) the source and amount of funds to be used to effect the proposed acquisition, including the material terms of any financing agreement or arrangement;*
- (5) the identity and background of all persons on whose behalf the acquisition is to be 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 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;*
- (6) complete financial information as to the earnings and financial condition of the person, which must be audited if available, and, if requested by the metropolitan airports commission, its affiliates, for the preceding five fiscal years, or for a lesser period as the person and any predecessors have been in existence, and similar unaudited information as of a date not earlier than 90 days prior to the filing of the statement; and*

*(7) any plans or proposals of the person to liquidate the major tenant, to sell its assets, or merge or consolidate it with any person, or to make any other material change in the business or corporate structure or management.*

*Subd. 3. [HEARING.] (a) The metropolitan airports commission shall hold a hearing with respect to any request for approval under this section. The hearing must be conducted before an administrative law judge in accordance with the contested case rules of the office of administrative hearings. The metropolitan airports commission shall make its decision to approve or disapprove the acquisition no later than 60 days after the information statement is filed under subdivision 2. The time frame for the hearing, issuance of the administrative law judge's report, and filing any exceptions to the report shall be established by the metropolitan airports commission. The decision may be appealed under chapter 14. Persons or groups of persons potentially affected by the acquisition may intervene in the hearing.*

*(b) Notwithstanding paragraph (a), the metropolitan airports commission may decline to hold a hearing under this section if, after providing notice and an opportunity to comment to the person requesting approval, it determines that the person requesting approval clearly (1) does not intend to effect the proposed acquisition or (2) is financially unable to effect the transaction. An appeal may be taken under chapter 14 from a determination of the metropolitan airports commission that declines to hold a hearing.*

*Subd. 4. [APPROVAL CRITERIA.] The metropolitan airports commission shall approve a request under this section unless it determines, based on clear and convincing evidence, that the proposed acquisition will result in a substantial adverse impact on the proprietary interests of the state or the metropolitan airports commission in regard to the airport facilities. In determining whether to grant approval, the metropolitan airports commission shall consider:*

*(1) the ability and intention of the major tenant, if the proposed acquisition is effected, to honor its obligations under any leases or other legal commitments entered into between the metropolitan airports commission and the major tenant;*

*(2) the effect that the proposed acquisition would have on airport environmental concerns, including noise and air pollution;*

*(3) the effect that the proposed acquisition would have on the metropolitan airports commission's ability to protect its investment in the airport facilities, including but not limited to, the ability to repay any funds that have financed the construction or maintenance of the airport facilities;*

*(4) the effect that the proposed acquisition would have on the credit-worthiness of the metropolitan airports commission or its ability to raise funds in the future;*

*(5) the effect that the proposed acquisition would have on the metropolitan airports commission's ability to continue to facilitate accessible and available air transportation; and*

*(6) the effect that the proposed acquisition would have on any other proprietary interest of the state or the metropolitan airports commission in regard to the airport facilities.*

*Subd. 5. [APPLICABILITY.] This section applies to the acquisition of any person who was a major tenant on the effective date of this section or becomes a major tenant after the effective date. This section applies if a person was a major tenant on or after the effective date of this section but thereafter ceases to be a major tenant, if the person ceased to be a major tenant for the purpose, but not necessarily the sole purpose, of allowing an acquisition of ownership in the major tenant without first being approved by the metropolitan airports commission.*

*Subd. 6. [ENFORCEMENT.] Whenever it appears to the metropolitan airports commission that any person has engaged or is about to engage in any act constituting a violation of this section or any rule, order, regulation, or ordinance adopted or issued under this section, the commission may bring an action in Ramsey county district court in the name of the state to enjoin the act or acts and to enforce compliance with this section, or any rule, order, regulation, or ordinance adopted or issued under this section. The remedy under this section is not exclusive and the metropolitan airports commission may pursue any remedies available under other law.*

*Subd. 7. [EXEMPTIONS.] The provisions of this section do not apply to the acquisition of any ownership interest in a major tenant:*

*(1) by will or by the laws of descent and distribution;*

*(2) in the regular course of securing or collecting a debt previously contracted in good faith, but any voting security so acquired must be disposed of within a period of two years from the date on which it was*

*acquired and the disposition must be subject to the provisions of this chapter if it would result in a change in the direct or indirect control of a major tenant; or*

*(3) by any person engaged in an underwriting of the securities, if the securities are held only for a period of time as will permit the sale of the securities on a reasonable basis and the securities are sold in a manner that does not result in a change in the direct or indirect control of a major tenant.*

Sec. 4. [EFFECTIVE DATE; APPLICABILITY.]

*Sections 1 to 3 are effective the day following final enactment."*

Page 22, line 23, delete "*Notwithstanding any law to the contrary.*"

Page 29, line 17, after the period, insert "*For an affected employee whose health insurance benefits have been reduced within one year before a mass layoff, the employer shall pay an amount equal to six times the average monthly premium paid by the employer or predecessor employer on behalf of its employee for health insurance during the year prior to the reduction in benefits.*"

And when so amended the bill do pass and be re-referred to the Committee on Employment. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 243: A bill for an act relating to insurance; regulating access to certain insurance and medical data; amending Minnesota Statutes 1988, section 176.138.

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 1988, section 176.138, is amended to read:

176.138 [MEDICAL DATA; ACCESS.]

Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release *in writing, by telephone discussion or otherwise* of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. This section does not preclude the release of medical data under section 175.10 or 176.231, subdivision 9. Requests for pertinent data shall be made, *and the date of discussions with medical providers about medical data shall be confirmed*, in writing to the person or organization that collected or currently possesses the data. ~~The~~ *Written medical data that exists at the time the request is made* shall be provided by the collector or possessor within seven working days of receiving the request. *All other medical data described above may be provided, but is not required to be provided, by the collector or possessor.* In all cases of a request for *the data or discussion with a medical provider about the data*, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made *or a written*



*confirmation of the discussion.* This data shall be treated as private data by the party who requests or receives the data and the party receiving the data shall provide the employee or the employee's attorney with a copy of all data requested by the requester.

Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not *timely* release the data ~~in a timely manner as required in this section.~~ A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor. ~~This section applies only to written medical data which exists at the time the request is made.~~

*Workers' compensation insurers and self-insured employers may, for the sole purpose of identifying duplicate billings submitted to more than one insurer, disclose to health insurers, including all insurers writing insurance described in section 60A.06, subdivision 1, clause (5)(a), nonprofit health service plan corporations subject to chapter 62C, health maintenance organizations subject to chapter 62D, and joint self-insurance employee health plans subject to chapter 62H, computerized information about dates, coded items, and charges for medical treatment of employees and other medical billing information submitted to them by an employee, employer, health care provider, or other insurer in connection with a current claim for compensation under this chapter, without prior approval of any party to the claim and notwithstanding anything to the contrary in this section or in any other state law related to privacy of medical data or any private agreements to the contrary. The data may not be used by the health insurer for any other purpose whatsoever.*

## 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. Spear from the Committee on Judiciary, to which was referred

S.F. No. 3: A bill for an act relating to crime; controlled substances; creating controlled substance crimes in the first, second, third, fourth, fifth, sixth, and seventh degrees; increasing penalties for controlled substance offenses; providing mandatory minimum sentences for repeat controlled substance offenses; providing a mandatory minimum sentence for a controlled substance offense committed with a dangerous weapon; creating a presumption that occupants in automobile or room knowingly possess controlled substances found there; amending Minnesota Statutes 1988, sections 152.01, by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.15, subdivision 4a; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; and 609.11, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 152; repealing Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
CRIMINAL PROVISIONS

Section 1. Minnesota Statutes 1988, section 126.036, is amended to read:

126.036 [LAW ENFORCEMENT RECORDS.]

*Subdivision 1.* [NOTICE REQUIRED.] 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. *Except as provided in subdivision 2*, 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.

*Subd. 2.* [EXCEPTION.] *If providing the notice within two weeks after the incident occurs would jeopardize an ongoing criminal investigation, the law enforcement agency is not required to provide notice until the investigation is completed or a petition or complaint is filed against the student.*

Sec. 2. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

*Subd. 5.* [HALLUCINOGEN.] "*Hallucinogen*" means any hallucinogen listed in section 152.02, subdivision 2, clause (3), or Minnesota Rules, part 6800.4210, item C, except marijuana and Tetrahydrocannabinols.

Sec. 3. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

*Subd. 9a.* [MIXTURE.] "*Mixture*" means a preparation, compound, mixture, or substance containing a controlled substance, regardless of purity.

Sec. 4. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

*Subd. 12a.* [PARK ZONE.] "*Park zone*" means an area designated by the state or a local governmental unit as a public park.

Sec. 5. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

*Subd. 14a.* [SCHOOL ZONE.] "*School zone*" means:

(1) any property owned, leased, or controlled by a school district or an organization operating a nonpublic school, as defined in section 123.932, subdivision 3, where an elementary, middle, secondary school, secondary vocational center or other school providing educational services in grade one through grade 12 is located, or used for educational purposes, or where extracurricular or cocurricular activities are regularly provided; and

(2) the area surrounding a school property to a distance of 1,000 feet beyond the school property.

Sec. 6. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

*Subd. 15a.* [SELL.] "*Sell*" means to sell, give away, barter, deliver,

*exchange, distribute or dispose of to another; or to offer or agree to do the same; or to manufacture.*

Sec. 7. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

*Subd. 16a. [SUBSEQUENT CONTROLLED SUBSTANCE CONVICTION.] "Subsequent controlled substance conviction" means that before commission of the offense for which the person is convicted under this chapter, the person was convicted in Minnesota of a felony violation of this chapter or a felony-level attempt or conspiracy to violate this chapter, or convicted elsewhere for conduct that would have been a felony under this chapter if committed in Minnesota. An earlier conviction is not relevant if ten years have elapsed since: (1) the person was restored to civil rights; or (2) the sentence has expired, whichever occurs first.*

Sec. 8. [152.021] [CONTROLLED SUBSTANCE CRIME IN THE FIRST DEGREE.]

*Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the first degree if:*

*(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing ten grams or more of cocaine base;*

*(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug;*

*(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units;*

*(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 100 kilograms or more containing marijuana or Tetrahydrocannabinols;*

*(5) the person unlawfully sells any amount of a Schedule I or II narcotic drug, and:*

*(i) the person unlawfully sells the substance to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or*

*(ii) the sale occurred in a school zone or a park zone.*

*Subd. 2. [POSSESSION CRIMES.] A person is guilty of a controlled substance crime in the first degree if:*

*(1) the person unlawfully possesses one or more mixtures containing 25 grams or more of cocaine base;*

*(2) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug;*

*(3) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or*

(4) *the person unlawfully possesses one or more mixtures of a total weight of 100 kilograms or more containing marijuana or Tetrahydrocannabinols.*

*Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than \$1,000,000, or both.*

*(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than four years nor more than 40 years or to payment of a fine of not more than \$1,000,000, or both.*

**Sec. 9. [152.022] [CONTROLLED SUBSTANCE CRIME IN THE SECOND DEGREE.]**

*Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:*

*(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing three grams or more of cocaine base;*

*(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug;*

*(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units; or*

*(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols.*

*Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the second degree if:*

*(1) the person unlawfully possesses one or more mixtures containing six grams or more of cocaine base;*

*(2) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug;*

*(3) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or*

*(4) the person unlawfully possesses one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols.*

*Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than \$500,000, or both.*

*(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than three years nor more than 40 years or to a fine*

*of not more than \$500,000, or both.*

**Sec. 10. [152.023] [CONTROLLED SUBSTANCE CRIME IN THE THIRD DEGREE.]**

*Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the third degree if:*

*(1) the person unlawfully sells one or more mixtures containing a narcotic drug;*

*(2) the person unlawfully sells one or more mixtures containing phenylclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units;*

*(3) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except a Schedule I or II narcotic drug, marijuana or Tetrahydrocannabinols, to a person under the age of 18; or*

*(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in Schedule I, II, or III, except a Schedule I or II narcotic drug, marijuana or Tetrahydrocannabinols.*

*Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:*

*(1) the person unlawfully possesses one or more mixtures containing three grams or more of cocaine base;*

*(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug;*

*(3) the person unlawfully possesses one or more mixtures containing a narcotic drug with the intent to sell it;*

*(4) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units; or*

*(5) the person unlawfully possesses any amount of a Schedule I or II narcotic drug in a school zone or a park zone.*

*Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 20 years or to a payment of a fine of not more than \$250,000, or both.*

*(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than two years nor more than 30 years or to a fine of not more than \$250,000, or both.*

**Sec. 11. [152.024] [CONTROLLED SUBSTANCE CRIME IN THE FOURTH DEGREE.]**

*Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:*

*(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except marijuana or Tetrahydrocannabinols;*

(2) the person unlawfully sells one or more mixtures containing marijuana or Tetrahydrocannabinols to a person under the age of 18;

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing marijuana or Tetrahydrocannabinols;

(4) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV or V to a person under the age of 18; or

(5) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in Schedule IV or V.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully possesses one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units; or

(2) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except marijuana or Tetrahydrocannabinols, with the intent to sell it.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$100,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than one year nor more than 30 years or to a fine of not more than \$100,000, or both.

Sec. 12. [152.025] [CONTROLLED SUBSTANCE CRIME IN THE FIFTH DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fifth degree if:

(1) the person unlawfully sells one or more mixtures containing marijuana or Tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV.

Subd. 2. [POSSESSION AND OTHER CRIMES.] A person is guilty of controlled substance crime in the fifth degree if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, III, or IV, except a small amount of marijuana; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathy licensed to practice medicine, dentist, podiatrist, veterinarian, or other

authorized person for the purpose of obtaining a controlled substance.

*Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.*

*(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than six months nor more than ten years or to payment of a fine of not more than \$20,000, or both.*

Sec. 13. [152.026] [MANDATORY MINIMUM SENTENCES.]

*A defendant convicted and sentenced to a mandatory minimum sentence under sections 8 to 12 is not eligible for probation, parole, discharge, or supervised release until that person has served the full mandatory minimum term of imprisonment as provided by law, notwithstanding sections 242.19, 243.05, 609.12, and 609.135.*

Sec. 14. [152.027] [OTHER CONTROLLED SUBSTANCE OFFENSES.]

*Subdivision 1. [SALE OF SCHEDULE V CONTROLLED SUBSTANCE.] A person who unlawfully sells one or more mixtures containing a controlled substance classified in Schedule V 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.*

*Subd. 2. [POSSESSION OF SCHEDULE V CONTROLLED SUBSTANCE.] A person who unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule V 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. The court may order that a person who is convicted under this subdivision and placed on probation be required to take part in a drug education program as specified by the court.*

*Subd. 3. [POSSESSION OF MARIJUANA IN A MOTOR VEHICLE.] A person is guilty of a misdemeanor if the person is the owner of a private motor vehicle, or is the driver of the motor vehicle if the owner is not present, and possesses on the person, or knowingly keeps or allows to be kept within the area of the vehicle normally occupied by the driver or passengers, more than 1.4 grams of marijuana. This area of the vehicle does not include the trunk of the motor vehicle if the vehicle is equipped with a trunk, or another area of the vehicle not normally occupied by the driver or passengers if the vehicle is not equipped with a trunk. A utility or glove compartment is deemed to be within the area occupied by the driver and passengers.*

*Subd. 4. [POSSESSION OR SALE OF SMALL AMOUNTS OF MARIJUANA.] (a) A person who unlawfully sells a small amount of marijuana for no remuneration, or who unlawfully possesses a small amount of marijuana is guilty of a petty misdemeanor punishable by a fine of up to \$200 and participation in a drug education program unless the court enters a written finding that a drug education program is inappropriate. The program must be approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority.*

*(b) A person convicted of an unlawful sale under paragraph (a) who is subsequently convicted of an unlawful sale under paragraph (a) within two years is guilty of a misdemeanor and shall be required to participate in a chemical dependency evaluation and treatment if so indicated by the*

evaluation.

*(c) A person who is convicted of a petty misdemeanor under paragraph (a) who willfully and intentionally fails to comply with the sentence imposed, is guilty of a misdemeanor. Compliance with the terms of the sentence imposed before conviction under this paragraph is an absolute defense.*

**Sec. 15. [152.028] [PERMISSIVE INFERENCE OF KNOWING POSSESSION.]**

*Subdivision 1. [RESIDENCES.] The presence of a controlled substance in open view in a room, other than a public place, under circumstances evincing an intent by one or more of the persons present to unlawfully mix, compound, package, or otherwise prepare for sale the controlled substance permits the factfinder to infer knowing possession of the controlled substance by each person in close proximity to the controlled substance when the controlled substance was found. The permissive inference does not apply to any person if:*

- (1) one of them legally possesses the controlled substance; or*
- (2) the controlled substance is on the person of one of the occupants.*

*Subd. 2. [PASSENGER AUTOMOBILES.] The presence of a controlled substance in a passenger automobile permits the factfinder to infer knowing possession of the controlled substance by the driver or person in control of the automobile when the controlled substance was in the automobile. The inference does not apply:*

- (1) to a duly licensed operator of an automobile who is at the time operating it for hire in the lawful and proper pursuit of the operator's trade;*
- (2) to any person in the automobile if one of them legally possesses a controlled substance; or*
- (3) when the controlled substance is concealed on the person of one of the occupants.*

Sec. 16. Minnesota Statutes 1988, section 152.096, subdivision 1, is amended to read:

**Subdivision 1. [PROHIBITED ACTS; PENALTIES.]** Any person who conspires to commit any act prohibited by ~~section 152.09~~ *this chapter*, except possession or distribution for no remuneration of a small amount of marijuana as defined in section 152.01, subdivision 16, is guilty of a felony and upon conviction may be imprisoned, fined, or both, up to the maximum amount authorized by law for the act the person conspired to commit.

Sec. 17. Minnesota Statutes 1988, section 152.097, is amended by adding a subdivision to read:

*Subd. 4. [PENALTY.] A person who violates this section may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$20,000, or both. Sentencing for a conviction for attempting to sell, transfer, or deliver a noncontrolled substance in violation of this section is governed by section 609.17, subdivision 4.*

Sec. 18. Minnesota Statutes 1988, section 152.151, is amended to read:  
152.151 [REPORT TO LEGISLATURE.]



The state alcohol and drug authority shall ~~build into~~ *evaluate* the drug education program required by section ~~152.15, subdivision 2, proper evaluation 14~~ and report directly each legislative session to the legislative standing committees having jurisdiction over the subject matter.

Sec. 19. [152.152] [STAYED SENTENCE LIMITED.]

*If a person is convicted under section 8, 9, or 10 and the sentencing guidelines grid calls for a presumptive prison sentence for the offense, the court may stay imposition or execution of the sentence only as provided in this section. The sentence may be stayed based on amenability to probation only if the offender presents adequate evidence to the court that the offender has been accepted by, and can respond to, a treatment program that has been approved by the commissioner of human services. The court may impose a sentence that is a mitigated dispositional departure on any other ground only if the court includes as a condition of probation incarceration in a local jail or workhouse.*

Sec. 20. Minnesota Statutes 1988, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person is found guilty of a violation of section ~~152.09, subdivision 1, clause (2) 11, 12, or 14~~ for possession of a controlled substance, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of such person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum term of imprisonment provided for such violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against such person and discharge the person from probation before the expiration of the maximum period prescribed for such person's probation. If during the period of probation such person does not violate any of the conditions of the probation, then upon expiration of such period the court shall discharge such person and dismiss the proceedings against that person. Discharge and dismissal hereunder shall be without court adjudication of guilt, but a nonpublic record thereof shall be retained by the department of public safety solely for the purpose of use by the courts in determining the merits of subsequent proceedings against such person. The court shall forward a record of any discharge and dismissal hereunder to the department of public safety who shall make and maintain the nonpublic record thereof as hereinbefore provided. Such discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

Sec. 21. Minnesota Statutes 1988, section 152.20, is amended to read:

152.20 [PENALTIES UNDER OTHER LAWS.]

Any penalty imposed for violation of ~~Laws 1971, chapter 937~~ *this chapter* is in addition to, and not in lieu of, any civil or administrative penalty or sanction otherwise authorized by law.

Sec. 22. Minnesota Statutes 1988, section 152.21, subdivision 6, is amended to read:

Subd. 6. [EXEMPTION FROM CRIMINAL SANCTIONS.] For the purposes of this section, the following are not violations ~~listed in section 152.09 or 152.15 under this chapter:~~

(1) use or possession of THC, or both, by a patient in the research program;

(2) possession, prescribing use of, administering, or dispensing THC, or any combination of these actions, by the principal investigator or by any clinical investigator; and

(3) possession or distribution of THC, or both, by a pharmacy registered to handle schedule I substances which stores THC on behalf of the principal investigator or a clinical investigator.

THC obtained and distributed pursuant to this section is not subject to forfeiture under sections 609.531 to 609.5316.

For the purposes of this section, THC is removed from schedule I contained in section 152.02, subdivision 2, and inserted in schedule II contained in section 152.02, subdivision 3.

Sec. 23. Minnesota Statutes 1988, section 243.55, subdivision 1, is amended to read:

Subdivision 1. Any person who brings, sends, or in any manner causes to be introduced into any state correctional facility or state hospital, or within or upon the grounds belonging to or land or controlled by any such facility or hospital, any controlled substance as defined in section 152.01, subdivision 4, or any firearms, weapons or explosives of any kind, without the consent of the chief executive officer thereof, shall be guilty of a felony and, upon conviction thereof, punished by imprisonment for a term of not ~~less than three, nor more than five,~~ *ten* years. Any person who brings, sends, or in any manner causes to be introduced into any state correctional facility or within or upon the grounds belonging to or land controlled by the facility, any intoxicating or alcoholic liquor or malt beverage of any kind without the consent of the chief executive officer thereof, shall be guilty of a gross misdemeanor. The provisions of this section shall not apply to physicians carrying drugs or introducing any of the above described liquors into such facilities for use in the practice of their profession; nor to sheriffs or other peace officers carrying revolvers or firearms as such officers in the discharge of duties.

Sec. 24. Minnesota Statutes 1988, section 244.09, subdivision 5, is amended to read:

Subd. 5. The commission shall, on or before January 1, 1980, promulgate sentencing guidelines for the district court. The guidelines shall be based on reasonable offense and offender characteristics. The guidelines promulgated by the commission shall be advisory to the district court and shall establish:

(1) The circumstances under which imprisonment of an offender is proper; and

(2) A presumptive, fixed sentence for offenders for whom imprisonment is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines may provide for an increase or decrease of up to 15 percent in the presumptive, fixed sentence.

The sentencing guidelines promulgated by the commission may also

establish appropriate sanctions for offenders for whom imprisonment is not proper. Any guidelines promulgated by the commission establishing sanctions for offenders for whom imprisonment is not proper shall make specific reference to noninstitutional sanctions, including but not limited to the following: payment of fines, day fines, restitution, community work orders, work release programs in local facilities, community based residential and nonresidential programs, incarceration in a local correctional facility, and probation and the conditions thereof.

In establishing *and modifying* the sentencing guidelines, the commission shall take into ~~substantial~~ consideration *public safety*, current sentencing and release practices, and correctional resources, including but not limited to the capacities of local and state correctional facilities.

The provisions of sections 14.01 to 14.69 do not apply to the promulgation of the sentencing guidelines, and the sentencing guidelines, including severity levels and criminal history scores, are not subject to review by the legislative commission to review administrative rules. However, on or before January 1, 1986, the commission shall adopt rules pursuant to sections 14.01 to 14.69 which establish procedures for the promulgation of the sentencing guidelines, including procedures for the promulgation of severity levels and criminal history scores, and these rules shall be subject to review by the legislative commission to review administrative rules.

Sec. 25. Minnesota Statutes 1988, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(4) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) A county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, *or the court has found the child delinquent for having committed a felony-level violation of chapter 152*, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

This subdivision applies to dispositions of juveniles found to be delinquent as defined in section 260.015, subdivision 5, clause (c) or (d) made prior to, on, or after January 1, 1978.

Sec. 26. Minnesota Statutes 1988, section 609.11, is amended by adding a subdivision to read:

*Subd. 5a. [ILLEGAL WEAPON.] (a) A defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, had in possession an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than two years nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, had in possession an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than six years nor more than the maximum sentence provided by law.*

*(b) A defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, an*

*illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than six years nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than ten years nor more than the maximum sentence provided by law.*

*(c) For purposes of this subdivision, "illegal weapon" means a machine gun or short-barreled shotgun as defined in section 609.67; a firearm, as defined in section 97A.015, subdivision 19, that is equipped with a silencer or equipped to have a silencer attached; or a Saturday night special, as defined in section 624.712, subdivision 4.*

Sec. 27. Minnesota Statutes 1988, section 609.11, subdivision 9, is amended to read:

Subd. 9. [APPLICABLE OFFENSES.] The crimes for which mandatory minimum sentences shall be served before eligibility for probation, parole, or supervised release as provided in this section are: murder in the first, second, or third degree; assault in the first, second, or third degree; burglary; kidnapping; false imprisonment; manslaughter in the first or second degree; aggravated robbery; simple robbery; criminal sexual conduct under the circumstances described in sections 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); and 609.344, subdivision 1, clauses (a) to (e) and (h) to (j); escape from custody; arson in the first, second, or third degree; a *felony violation of chapter 152*; or any attempt to commit any of these offenses.

Sec. 28. Minnesota Statutes 1988, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5316, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a weapon used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, or a city or airport police department.

(f) "Designated offense" includes:

(1) For weapons used: any violation of this chapter;

(2) For all other purposes: a felony violation of, or a felony-level 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; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.671, subdivisions 3, 4, and 5; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; or 617.246.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 29. Minnesota Statutes 1988, section 609.5311, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON FORFEITURE OF CERTAIN PROPERTY ASSOCIATED WITH CONTROLLED SUBSTANCES.] (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is ~~\$500~~ \$25 or more *and the conveyance device is associated with a felony-level controlled substance crime.*

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance is \$5,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Notwithstanding paragraphs (d) and (e), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property if the owner or secured party took reasonable steps to terminate use of the property by the offender.

Sec. 30. Minnesota Statutes 1988, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO ADMINISTRATIVE FORFEITURE; PRESUMPTION.] (a) The following are presumed to be subject to administrative forfeiture under this section:

(1) all money, precious metals, and precious stones found in proximity to:

(i) controlled substances;

(ii) forfeitable drug manufacturing or distributing equipment or devices;

or

(iii) forfeitable records of manufacture or distribution of controlled substances; and

(2) all conveyance devices containing controlled substances with a retail value of ~~\$500~~ \$100 or more *if possession or sale of the controlled substance would be a felony under chapter 152.*

(b) A claimant of the property bears the burden to rebut this presumption.

Sec. 31. Minnesota Statutes 1988, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] If the court finds under section 609.5313 or 609.5314 that the property is subject to forfeiture, it ~~may~~ shall order the appropriate agency to:

(1) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5;

(2) take custody of the property and remove it for disposition in accordance with law;

(3) forward the property to the federal drug enforcement administration;

(4) disburse money as provided under subdivision 5; or

(5) keep property other than money for official use by the agency and the prosecuting agency.

Sec. 32. Minnesota Statutes 1988, section 609.685, is amended by adding a subdivision to read:

*Subd. 1a. [GROSS MISDEMEANOR.] (a) Whoever sells tobacco to a person under the age of 18 years is guilty of a gross misdemeanor. If the sale is made from a cigarette vending machine, the culpable person is the person who owns or is in control of the premises on which the vending machine is installed.*

*(b) It is an affirmative defense to a charge under this subdivision if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.*

Sec. 33. Minnesota Statutes 1988, section 609.685, subdivision 2, is amended to read:

Subd. 2. [~~CRIME~~ MISDEMEANOR.] Whoever furnishes tobacco or tobacco related devices to a person under the age of 18 years is guilty of a misdemeanor.

Sec. 34. [CONVICTIONS STUDY.]

*The sentencing guidelines commission shall compile information on charges and convictions under sections 8 to 12 and report the results to the chairs of the judiciary committees in the senate and the house of representatives by January 1, 1990, with a second report by January 1, 1991. The reports must include:*

*(1) the number of controlled substance charges and convictions in each jurisdiction;*

*(2) a comparison of the original charge and the conviction offense; and*

*(3) information concerning the amount of controlled substance actually*

*involved in each incident, when available.*

Sec. 35. [REPEALER.]

*Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, 4a, and 5, are repealed.*

Sec. 36. [EFFECTIVE DATE.]

*Sections 2 to 33 and 35 are effective August 1, 1989, and apply to crimes and violations occurring on or after that date.*

## ARTICLE 2

### MOTHERS AND CHILDREN AT RISK DUE TO USE OF CONTROLLED SUBSTANCES

Section 1. Minnesota Statutes 1988, section 253B.02, subdivision 2, is amended to read:

Subd. 2. [CHEMICALLY DEPENDENT PERSON.] “Chemically dependent person” means any person (a) determined as being incapable of self-management or management of personal affairs by reason of the habitual and excessive use of alcohol or drugs; and (b) whose recent conduct as a result of habitual and excessive use of alcohol or drugs poses a substantial likelihood of physical harm to self or others as demonstrated by (i) a recent attempt or threat to physically harm self or others, (ii) evidence of recent serious physical problems, ~~or~~ (iii) a failure to obtain necessary food, clothing, shelter, or medical care *including prenatal care*.

Sec. 2. Minnesota Statutes 1988, section 253B.02, subdivision 10, is amended to read:

Subd. 10. [INTERESTED PERSON.] “Interested person” means an adult, including but not limited to, a public official, *including a local welfare agency acting under section 3*, and the legal guardian, spouse, parent, legal counsel, adult child, next of kin, or other person designated by a proposed patient.

Sec. 3. [626.556] [REPORTING OF PRENATAL EXPOSURE TO CONTROLLED SUBSTANCES.]

*Subdivision 1. [REPORTS REQUIRED.] A person mandated to report under section 626.556, subdivision 3, shall immediately report to the local welfare agency if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance, as defined in section 152.01, subdivision 4, for a nonmedical purpose during the pregnancy. Any person may make a voluntary report if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance for a nonmedical purpose during the pregnancy.*

*Subd. 2. [LOCAL WELFARE AGENCY.] If the report alleges a pregnant woman's use of a controlled substance for a nonmedical purpose, the local welfare agency shall immediately conduct an appropriate assessment and offer services indicated under the circumstances. Services offered may include, but are not limited to, a referral for chemical dependency assessment, a referral for chemical dependency treatment if recommended, and a referral for prenatal care. The local welfare agency may also take any appropriate action under chapter 253B; including seeking an emergency admission under section 253B.05.*



*Subd. 3. [RELATED PROVISIONS.] Reports under this section are governed by section 626.556, subdivisions 4, 4a, 5, 6, 7, 8, and 11.*

**Sec. 4. [626.5562] [TOXICOLOGY TESTS REQUIRED.]**

*Subdivision 1. [TEST; REPORT.] A physician shall administer a toxicology test to a pregnant woman under the physician's care to determine whether there is evidence that she has ingested a controlled substance, if the woman has obstetrical complications that are a medical indication of possible use of a controlled substance for a nonmedical purpose. If the test results are positive, the physician shall report the results under section 626.556, subdivision 3, paragraph (a). A negative test result does not eliminate the obligation to report under section 626.556, if other evidence gives the physician reason to believe the patient has used a controlled substance for a nonmedical purpose.*

*Subd. 2. [NEWBORNS.] A physician shall administer to each newborn infant born under the physician's care a toxicology test to determine whether there is evidence of prenatal exposure to a controlled substance, if the physician has reason to believe based on a medical assessment of the mother or the infant that the mother used a controlled substance for a nonmedical purpose prior to the birth. If the test results are positive, the physician shall report the results as neglect under section 626.556. A negative test result does not eliminate the obligation to report under section 626.556 if other medical evidence of prenatal exposure to a controlled substance is present.*

*Subd. 3. [REPORT TO DEPARTMENT OF HEALTH.] Physicians shall report to the department of health the results of tests performed under subdivisions 1 and 2. A report shall be made on February 1 and August 1 of each year, beginning February 1, 1990. The reports are medical data under section 13.42.*

*Subd. 4. [IMMUNITY FROM LIABILITY.] Any physician or other medical personnel administering a toxicology test to determine the presence of a controlled substance in a pregnant woman or in a child at birth or during the first month of life is immune from civil or criminal liability arising from administration of the test, if the physician ordering the test believes in good faith that the test is required under this section and the test is administered in accordance with an established protocol and reasonable medical practice.*

**Sec. 5. [APPROPRIATION.]**

*Subdivision 1. [CHEMICAL DEPENDENCY TREATMENT FOR PREGNANT WOMEN.] § . . . . . is appropriated from the general fund to the commissioner of human services to make grants to agencies providing chemical dependency treatment to pregnant women and mothers, to be available until June 30, 1991.*

*Subd. 2. [MULTIDISCIPLINARY TEAMS.] § . . . . . is appropriated from the general fund to the commissioner of human services for multidisciplinary teams to assist in the treatment of chemically dependent pregnant women and mothers and follow-up of the treatment. The appropriation is available until June 30, 1991.*

## ARTICLE 3

PREVENTION, TREATMENT, EDUCATION, AND  
REHABILITATION PROGRAMSSection 1. [241.81] [PILOT PROBATION PROGRAMS FOR DRUG  
OFFENDERS.]

*The commissioner of corrections, in consultation with the director of drug policy, shall establish and assist in funding county pilot programs to conduct urine testing to detect the presence of controlled substances, during probation and supervised release of persons convicted of felonies under chapter 152. The commissioner shall establish guidelines for testing, information collection and evaluation, and total program costs. The commissioner shall develop guidelines regarding the appropriate sanctions for violating the conditions of probation and supervised release with respect to the use of controlled substances. The guidelines shall provide for revocation of supervised release upon detection of the presence of a Schedule I or II narcotic drug as defined in section 152.01, subdivision 10.*

## OFFICE OF DRUG POLICY

## Sec. 2. [299A.29] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] For purposes of sections 2 to 8, the following terms have the meanings given them in this section.*

*Subd. 2. [DEMAND REDUCTION.] "Demand reduction" means an activity carried on by a drug program agency that is designed to reduce demands for drugs, including education, prevention, treatment, and rehabilitation programs.*

*Subd. 3. [DRUG.] "Drug" means a controlled substance as defined in section 152.01, subdivision 4.*

*Subd. 4. [DRUG PROGRAM AGENCY.] "Drug program agency" means an agency of the state, a political subdivision of the state, or the United States government that is involved in demand reduction or supply reduction.*

*Subd. 5. [SUPPLY REDUCTION.] "Supply reduction" means an activity carried on by a drug program agency that is designed to reduce the supply or use of drugs, including law enforcement, eradication, and prosecutorial activities.*

## Sec. 3. [299A.30] [OFFICE OF DRUG POLICY.]

*Subdivision 1. [OFFICE; DIRECTOR.] The office of drug policy is an office in the department of public safety headed by a director appointed by the commissioner to serve in the unclassified service. The director may appoint other employees in the unclassified service. The director shall coordinate the activities of drug program agencies, gather and make available information on demand reduction and supply reduction throughout the state, foster cooperation among drug program agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of demand reduction and supply reduction.*

*Subd. 2. [DUTIES.] The director shall:*

*(1) after consultation with all drug program agencies operating in the state, develop a state drug strategy encompassing the efforts of those agencies and taking into account all money available for demand reduction and supply reduction, from any source;*

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of demand reduction and supply reduction during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of demand reduction and supply reduction; and

(4) provide information and assistance to prosecutors, both directly and by functioning as a clearinghouse for information from other prosecutors.

**Sec. 4. [299A.31] [DRUG ABUSE RESISTANCE EDUCATION PROGRAM.]**

*Subdivision 1. [PROGRAM.] The drug abuse resistance education program shall assist law enforcement agencies or school districts in training law enforcement officers to conduct drug education programs in schools and in conducting the programs. The director shall promote the drug abuse resistance education program throughout the state and is authorized to receive funds from public and private sources for use in the drug abuse resistance education program. For purposes of this section, "law enforcement agency" means a police department, sheriff's office, and the bureau of criminal apprehension.*

*Subd. 2. [MATCHING GRANTS.] A law enforcement agency or a school district may apply to the director for a grant to help pay for the training and programs described in subdivision 1. The director may award a matching grant, up to a dollar-for-dollar basis, to help meet those costs.*

*Subd. 3. [TRAINING PROGRAM.] The bureau of criminal apprehension shall develop a program to train peace officers in the drug abuse resistance education program curriculum. The purpose of the program is to train peace officers to teach a curriculum in drug abuse resistance in schools. The training program must be approved by the commissioner of public safety.*

*Subd. 4. [AVAILABILITY OF PEACE OFFICER TRAINING.] The training described in subdivision 3 is available on a voluntary basis to local law enforcement agencies and school districts.*

*Subd. 5. [COORDINATION OF ACTIVITIES.] If the director receives grant requests from more than one applicant for programs to be conducted in a single school district, the director shall require the applicants to submit a plan for coordination of their training and programs.*

*Subd. 6. [REPORTS.] The director may require grant recipients to account to the director at reasonable time intervals regarding the use of the grants and the training and programs provided.*

**Sec. 5. [299A.32] [LAW ENFORCEMENT AND COMMUNITY GRANTS.]**

*Subdivision 1. [GRANT PROGRAM.] (a) The director shall develop grant programs to:*

*(1) assist law enforcement agencies in purchasing equipment, provide undercover buy money, and pay other nonpersonnel costs; and*

(2) assist community and neighborhood organizations in efforts to prevent or reduce criminal activities in their areas, particularly activities involving youth and the use and sale of drugs.

(b) The commissioner shall by rule prescribe criteria for eligibility and the award of grants and reporting requirements for recipients.

Subd. 2. [ADVISORY TASK FORCE.] The director shall appoint an advisory task force to assist in the selection and monitoring of grant recipients. The task force must include representatives of local governmental units, community or neighborhood organizations, and law enforcement agencies. The task force is governed by section 15.014, subdivision 2.

Sec. 6. [299A.33] [DRUG ABUSE PREVENTION COUNCIL.]

The drug abuse prevention council consists of:

(1) the director, and the designees of the commissioners of education, health, and human services, each of whom must be a state employee assigned to the agency headed by the commissioner making the designation;

(2) three members of the house of representatives appointed by the speaker;

(3) three members of the senate appointed by the subcommittee on committees of the committee on rules and administration; and

(4) eight members appointed by the governor, who must be knowledgeable in demand reduction or supply reduction and must reflect the geographic and demographic diversity of the state.

The council shall be chaired by the director of drug policy. It shall review existing drug abuse prevention programs and develop and recommend to the director a statewide drug abuse prevention policy that emphasizes local efforts and a coordinated approach. The policy must seek to make most efficient use of available money and other resources and to use existing agencies or organizations whenever possible. The council shall submit its recommendations before January 1, 1991.

Sec. 7. [299A.34] [OTHER DUTIES.]

The director shall:

(1) provide information and assistance upon request to school pre-assessment teams established under section 126.034 and school and community advisory teams established under section 126.035;

(2) provide information and assistance upon request to the state board of pharmacy with respect to the board's enforcement of chapter 152; and

(3) cooperate with and provide information and assistance upon request to the alcohol and other drug abuse section in the department of human services.

Sec. 8. [299A.35] [COOPERATION OF OTHER AGENCIES.]

State agencies and agencies and governing bodies of political subdivisions shall cooperate with the director and shall provide any information or services requested by the director.

Sec. 9. [299A.36] [CRIME VICTIMIZATION SURVEYS.]

Subdivision 1. [PURPOSE OF SURVEYS.] The commissioner shall conduct a statewide crime victimization survey every three years. Each survey

*shall compile information concerning:*

- (1) the extent to which Minnesota citizens, households, and commercial establishments were victimized by crimes, whether completed or attempted;*
- (2) the characteristics of victims;*
- (3) the circumstances surrounding the criminal acts, such as the relationship between victim and offender;*
- (4) the characteristics of offenders;*
- (5) the extent of victim injuries;*
- (6) the economic consequences to victims;*
- (7) whether the use of drugs or alcohol was involved in the incident;*
- (8) the time and place of criminal acts;*
- (9) the use of weapons; and*
- (10) whether the incident was reported to police, and if not, the reasons for not doing so.*

*Subd. 2. [CRIMES.] For purposes of the survey required by subdivision 1, "crime" means a felony crime of violence or crime against property. The commissioner shall develop a list of crimes to be included in the surveys, and may add any non-felony offense if the commissioner determines that including the offense will substantially increase the value of the surveys.*

*Subd. 3. [CONSULTANT.] The commissioner shall contract for each three-year survey with a qualified consultant who has demonstrated expertise in conducting crime victimization surveys.*

*Subd. 4. [REPORTS.] The commissioner shall report the survey results to the legislature every third year by January 1, beginning January 1, 1993.*

Sec. 10. Minnesota Statutes 1988, section 609.115, is amended by adding a subdivision to read:

*Subd. 8. [CHEMICAL USE ASSESSMENT REQUIRED.] (a) If a person is convicted of a felony that involved the sale or possession of a controlled substance, or in which the use of a controlled substance was a major contributing factor, the probation officer shall include in the report prepared under subdivision 1 a chemical use assessment of the defendant. The probation officer shall make an appointment for the defendant to undergo the chemical use assessment as soon as possible.*

*(b) The chemical use assessment report must include a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3. The assessment must be conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An assessor providing a chemical use assessment may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the probation officer may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision*

3.

(c) *The commissioner of corrections shall reimburse the county for the costs associated with a chemical use assessment and report at a rate established by the department of human services up to a maximum of \$100 in each case.*

Sec. 11. [INCARCERATION TASK FORCE.]

*The incarceration task force consists of the commissioner of corrections or the commissioner's designee, the commissioner of public safety or the commissioner's designee, the attorney general or the attorney general's designee, one member appointed by the senate under the rules of the senate, one member appointed by the house of representatives under the rules of the house of representatives, and no more than 12 other members appointed by the governor, who must represent local governmental units and local law enforcement and corrections agencies. The governor shall serve as the chair. The task force shall study the availability of space in state and local correctional facilities and shall develop a plan to make more space available for long-term inmates, convicted of drug offenses or violent crimes, in state facilities by housing other offenders in local facilities or by use of other sentencing options. The task force shall also study, evaluate, and recommend improvements to existing literacy, educational, and vocational training programs, as well as work opportunities, private employment opportunities, and job placement programs. The task force report must be submitted to the legislature by January 15, 1990. The task force ceases to exist upon the submission of its report. The task force is governed by section 15.014, subdivision 2.*

Sec. 12. [APPROPRIATION.]

*Subdivision 1. [PUBLIC SAFETY.] \$ . . . . . is appropriated to the commissioner of public safety from the general fund for use by the director of the office of drug policy in administering sections 2 to 8, to be available until June 30, 1991. Of that amount, \$ . . . . . is to be used for administering the grant programs under section 4, and \$ . . . . . is to be used for administering the community grant program under section 5.*

*\$ . . . . . is appropriated to the commissioner of public safety to conduct the crime victimization survey required by section 9.*

*\$ . . . . . is appropriated to the commissioner of public safety to develop and operate the training program in drug abuse resistance education under section 4.*

*The complement of the department of public safety is increased by . . . positions.*

*Subd. 2. [CORRECTIONS.] \$ . . . . . is appropriated to the commissioner of corrections from the general fund for chemical use assessment, for expansion of existing substance abuse treatment programs, and for county pilot programs for probationary urine testing under section 1, to be available until June 30, 1991.*

*Subd. 3. [ATTORNEY GENERAL.] \$ . . . . . is appropriated to the attorney general from the general fund for the alliance for a drug-free Minnesota, to be available until June 30, 1991. The attorney general shall take all necessary steps to assure that women and men are fairly represented among the participants in the alliance for a drug-free Minnesota.*

**Sec. 13. [REPEALER.]**

*Section 6 is repealed effective January 1, 1991.*

**Sec. 14. [EFFECTIVE DATE.]**

*Sections 1 to 8 and 11 are effective the day following final enactment. Section 10 is effective August 1, 1989, and applies to proceedings commenced on or after that date."*

Delete the title and insert:

"A bill for an act relating to crime; controlled substances; creating controlled substance crimes in the first, second, third, fourth, and fifth degrees; increasing penalties for controlled substance offenses; increasing penalties for selling and possessing narcotics in a park or school zone; providing mandatory minimum sentences for repeat controlled substance offenses; providing a mandatory minimum sentence for a controlled substance offense committed with a dangerous weapon; providing a mandatory minimum sentence for use of an illegal weapon during a dangerous felony; creating a permissible inference that occupants in a room or automobile knowingly possess controlled substances found there; providing that law enforcement is not required to notify the school chemical abuse preassessment team within two weeks under certain circumstances; increasing penalty for introducing controlled substance in correctional facility; limiting stays of sentences for controlled substance convictions; authorizing cancellation of driver's license of juvenile for a controlled substance violation; lowering threshold for forfeiture of vehicles in connection with a controlled substance offense; requiring courts to order forfeiture of property subject to forfeiture; imposing a felony penalty for selling tobacco to a minor; requiring reporting of prenatal use of controlled substances; prescribing duties of local welfare agency on receiving a report of prenatal controlled substance use; requiring controlled substance tests of certain newborns and pregnant women; requiring the development of guidelines for county pilot programs in urine testing of drug offenders during probation; establishing an office of drug policy in the department of public safety; providing for a director and other employees; requiring the director to develop a state drug strategy; providing for the coordination of drug enforcement, prevention, education, treatment, and rehabilitation programs; establishing an assistance program for school drug abuse resistance education programs; requiring a chemical use assessment of persons convicted of controlled substance felonies; establishing an inter-jurisdictional task force on incarceration; establishing a drug abuse prevention council; appropriating money; amending Minnesota Statutes 1988, sections 126.036; 152.01, by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; 243.55, subdivision 1; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 260.185, subdivision 1; 609.11, subdivision 9, and by adding a subdivision; 609.115, by adding a subdivision; 609.531, subdivision 1; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.685, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 152; 241; 299A; and 626; repealing Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, 4a, and 5."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. 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 Ramstad amendment to S.F. No. 3.

There were yeas 5 and nays 10, as follows:

Those who voted in the affirmative were:

Messrs. Belanger, Knaak, Laidig, McGowan and Ramstad.

Those who voted in the negative were:

Messrs. Cohen, Luther, Marty, Merriam, Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reichgott, Messrs. Spear and Stumpf.

The amendment was not adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F. No. 100: A bill for an act relating to state government; regulating part-time employees and employment policies; amending Minnesota Statutes 1988, sections 16A.11, subdivision 3; and 43A.24, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1988, section 43A.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

H.F. No. 1287: A bill for an act relating to commerce; securities; exempting nonissuer sales of securities issued by the state, its subdivisions, or instrumentalities from regulation; amending Minnesota Statutes 1988, section 80A.15, subdivision 2.

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

H.F. No. 1447: A bill for an act relating to motor vehicles; defining the effect of certain leases; amending Minnesota Statutes 1988, section 168A.17, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 11, 12, and 23, delete "*or trailer*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

### SECOND READING OF SENATE BILLS

S.F. No. 243 was read the second time.

### SECOND READING OF HOUSE BILLS

H.F. Nos. 100, 1287 and 1447 were read the second time.



**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Mr. Frederickson, D.J. introduced—

S.F. No. 1574: A bill for an act relating to rural development; providing for a procurement center pilot project; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1575: A bill for an act relating to education; authorizing grants to school districts to reduce class sizes under certain conditions; appropriating money.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 1576: A bill for an act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

Referred to the Committee on Environment and Natural Resources.

Mr. Pogemiller introduced—

S.F. No. 1577: A bill for an act relating to retirement; public employees local government correctional service retirement plan; expanding plan coverage to include certain Hennepin county medical center ambulance service personnel; amending Minnesota Statutes 1988, section 353C.02.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller introduced—

S.F. No. 1578: A bill for an act relating to human services; authorizing start-up grants to persons who seek to provide foster care; requiring a five-year commitment to foster care; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 1579: A bill for an act relating to public finance; transferring program responsibilities for the allocation of bonding authority to the department of finance; expanding the definition of manufacturing project for purposes of the Minnesota bond allocation act; amending Minnesota Statutes 1988, section 474A.02, subdivisions 5a and 14.

Referred to the Committee on Economic Development and Housing.

Mr. Pogemiller introduced—

S.F. No. 1580: A bill for an act relating to retirement; public employees retirement association; adding employees of the association of metropolitan municipalities and the Minnesota association of townships as members;

amending Minnesota Statutes 1988, section 353.01, subdivision 2a.

Referred to the Committee on Governmental Operations.

Mr. Frank introduced—

S.F. No. 1581: A bill for an act relating to cities; limiting the service of charter commission members; amending Minnesota Statutes 1988, section 410.05, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Pogemiller and Ms. Reichgott introduced—

S.F. No. 1582: A bill for an act relating to public finance; providing conditions and requirements for the issuance and use of public debt; amending Minnesota Statutes 1988, sections 298.2211, subdivision 4; 400.101; 430.06, by adding a subdivision; 469.015, subdivision 4; 469.152; 469.153, subdivision 2; 469.154, subdivisions 3 and 5; 469.155, subdivisions 2, 3, and 5; 471.56, subdivision 5; 473.541, subdivision 3, and by adding a subdivision; 473.811, subdivision 2; 475.51, by adding subdivisions; 475.54, subdivision 4, and by adding a subdivision; 475.55, subdivision 6, and by adding a subdivision; 475.60, subdivisions 1, 2, and 3; 475.66, subdivision 1; and 475.79; proposing coding for new law in Minnesota Statutes, chapters 469 and 473.

Referred to the Committee on Taxes and Tax Laws.

Mr. Metzen and Ms. Reichgott introduced—

S.F. No. 1583: A bill for an act relating to education; requiring tax increment authorities to pay to a school district all tax increment attributable to the school district's referendum levy; amending Minnesota Statutes 1988, section 469.177, subdivision 10.

Referred to the Committee on Economic Development and Housing.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Thursday, April 20, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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**THIRTY-FOURTH DAY**

St. Paul, Minnesota, Wednesday, April 19, 1989

The House of Representatives met on Wednesday, April 19, 1989, which was the Thirty-Fourth Legislative Day of the Seventy-Sixth Session of the Minnesota State Legislature. The Senate did not meet on this date.

## THIRTY-FIFTH DAY

St. Paul, Minnesota, Thursday, April 20, 1989

The Senate met at 10:00 a.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. Russell E. Connick.

The roll was called, and the following Senators answered to their names:

Adkins	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	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

Mr. Anderson 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 Files, herewith returned: S.F. Nos. 115 and 560.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 19, 1989

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. 294: A bill for an act relating to animals; providing civil and criminal penalties for the unauthorized release of research animals; amending Minnesota Statutes 1988, section 346.56, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 346.56, subdivision 1.

Senate File No. 294 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 19, 1989

### CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 294 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 294 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	Johnson, D.E.	McQuaid	Purfeerst
Beckman	Decker	Johnson, D.J.	Mehrkens	Ramstad
Belanger	DeCramer	Knaak	Merriam	Renneke
Benson	Dicklich	Kroening	Metzen	Samuelson
Berg	Diessner	Laidig	Moe, R.D.	Schmitz
Berglin	Frank	Langseth	Morse	Solon
Bernhagen	Frederick	Lantry	Novak	Spear
Bertram	Frederickson, D.J.	Larson	Olson	Storm
Brandl	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Chmielewski	Freeman	Luther	Peterson, D.C.	Vickerman
Cohen	Gustafson	Marty	Piper	Waldorf
Dahl	Hughes	McGowan	Pogemiller	

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 House File No. 29, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 29: A bill for an act relating to examiners of title; increasing number of deputy examiners of title in second and fourth judicial districts; amending Minnesota Statutes 1988, section 508.12, subdivision 3.

House File No. 29 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 19, 1989

Mr. Moe, R.D. moved that H.F. No. 29 and the Conference Committee Report thereon 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. 33, 701, 826, 1492, 1498, 1502, 1626, 1630, 355, 762, 1108, 1353, 1491, 1285 and 1604.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 19, 1989

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 33: A bill for an act relating to town roads; permitting town ordinances to regulate the burning of vegetation; amending Minnesota Statutes 1988, section 164.02, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 78.

H.F. No. 701: A bill for an act relating to environment; eliminating the PCB exemption program; repealing Minnesota Statutes 1988, sections 116.36; and 116.37.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 263, now on the Calendar.

H.F. No. 826: A bill for an act relating to the collection and dissemination of data; providing access to private and confidential data related to delinquent acts for law enforcement purposes; amending Minnesota Statutes 1988, sections 13.84, subdivision 5a; and 260.161, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 854.

H.F. No. 1492: A bill for an act relating to state parks; special permits for handicapped users; amending Minnesota Statutes 1988, section 85.053, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1369.

H.F. No. 1498: A bill for an act relating to telecommunications devices for communication-impaired people; requiring the metropolitan airports commission and certain bus stations to provide telecommunications devices for communication-impaired people; amending Minnesota Statutes 1988, section 473.608, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256C.

Referred to the Committee on Health and Human Services.

H.F. No. 1502: A bill for an act relating to education; extending the authority of Pine Point experimental school; amending Minnesota Statutes 1988, sections 128B.09 and 128B.10.

Referred to the Committee on Education.

H.F. No. 1626: A bill for an act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1630: A bill for an act relating to the city of Austin; providing for the service of the police and fire chiefs.

Referred to the Committee on Local and Urban Government.

H.F. No. 355: A bill for an act relating to veterans; authorizing officers and employees of the Military Order of the Purple Heart to purchase certain insurance benefits; amending Minnesota Statutes 1988, section 43A.27, subdivision 2.

Referred to the Committee on Governmental Operations.

H.F. No. 762: A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States to provide for a delay in an increase in compensation to members of Congress until an intervening election of representatives has occurred.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 666, now on General Orders.

H.F. No. 1108: A bill for an act relating to agriculture; changing a provision that allows averaging of certain multiple loads of grain; amending Minnesota Statutes 1988, section 17B.048.

Referred to the Committee on Agriculture and Rural Development.

H.F. No. 1353: A bill for an act relating to insurance; requiring insurers to pay the insured's deductible first when recovering from an uninsured motorist under a subrogation claim; amending Minnesota Statutes 1988, section 72A.201, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1168, now on General Orders.

H.F. No. 1491: A bill for an act relating to state government; authorizing the use of certain mechanical lifting devices in public buildings; amending Minnesota Statutes 1988, section 16B.61, subdivision 5.

Referred to the Committee on Governmental Operations.

H.F. No. 1285: A bill for an act relating to health insurance; changing coverage and administrative procedures relating to the comprehensive health insurance plan; requiring a report; amending Minnesota Statutes 1988, sections 62E.10, subdivisions 2a, 7, and 9; and 62E.12.

Referred to the Committee on Health and Human Services.

H.F. No. 1604: A bill for an act relating to economic development; clarifying the powers and duties of the Greater Minnesota Corporation; expanding auditing and reporting requirements; amending Minnesota Statutes 1988, sections 116O.02, by adding a subdivision; 116O.03, subdivision 1, and by adding a subdivision; 116O.04, by adding a subdivision; 116O.05; 116O.06, subdivisions 1 and 5; 116O.08, subdivision 2; 116O.14; and 116O.15.

Referred to the Committee on Agriculture and Rural Development.

### 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. 510, 1416 and 1227. The motion prevailed.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1055: A bill for an act relating to children; creating a statewide grant program to provide neighborhood-based support to enhance the health, development, and school readiness of preschool children; appropriating money; 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 5, line 15, delete "and" and insert a semicolon

Page 5, line 17, after "community" insert "; and a representative from the local early childhood intervention committee"

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. 510: A bill for an act relating to employment; providing for severance pay and insurance coverage to certain terminated employees; requiring employers to provide advance notice of certain actions related to plant closings and mass layoffs; appropriating money; amending Minnesota Statutes 1988, section 268.07, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 268A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 25, delete "9" and insert "10"

Page 3, line 30, delete the second "1" and insert "2"

Page 3, line 36, delete "50" and insert "100"

Page 4, line 1, delete "50" and insert "100"

Page 4, line 10, after the first "employment" insert a comma

Page 4, lines 11 and 19, delete "25" and insert "50"

Page 4, lines 14 and 15, delete ":

(1)"

Page 4, lines 15 and 16, delete " ; and

(2)" and insert "and that"

Page 4, line 18, delete "(i)" and insert "(1)"

Page 4, line 21, delete "(ii) 250" and insert "(2) 500"

Page 4, line 24, delete "9(a) or 8(f)" and insert "8(f) or 9(a)"

Page 4, line 25, delete "159(a) or 158(f)" and insert "158(f) or 159(a)"



Page 5, lines 14, 28, and 36, delete "120-day" and insert "60-day"

Page 5, line 21, delete the period and insert " : *except that,*"

Page 6, line 29, after "*period*" insert a comma

Page 7, line 10, before "*This*" insert "(a)" and delete "*shall*" and insert "*does*"

Page 7, line 16, before "*An*" insert "(b)"

Page 7, line 30, before "*An*" insert "(a)"

Page 7, lines 35 and 36, delete " :

(i)"

Page 8, lines 1 and 2, delete " ; *or*

(ii)" and insert " , *or*"

Page 8, line 9, before "*The*" insert "(b)"

Page 8, line 10, delete "120" and insert "60"

Page 8, line 13, before "*The*" insert "(a)"

Page 8, line 23, before "*In*" insert "(b)" and after "*addition*" insert "*to a reduction under paragraph (a)*"

Page 8, line 28, delete "4" and insert "3"

Page 8, line 30, delete the comma and insert a semicolon and after "*that*" insert a comma

Page 9, line 5, before "*A*" insert "(a)"

Page 9, line 12, before "*In*" insert "(b)" and delete "*such*" and after "*suit*" insert "*under paragraph (a)*"

Page 9, line 26, delete the comma and insert a semicolon

Page 9, line 27, after "*that*" insert a comma

Page 10, line 2, before "*The*" insert "(a)"

Page 10, lines 3 and 7, delete "*shall*" and insert "*must*"

Page 10, line 7, before the first "*The*" insert "(b)"

Page 10, line 14, delete "*shall*" and insert "*does*" and delete "*Minnesota Statutes,*"

Page 11, line 31, before "*The*" insert "(a)"

Page 11, line 35, delete "*shall be*" and insert "*is*"

Page 12, line 4, delete "11" and insert "10"

Page 12, line 7, before "*All*" insert "(b)"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Knaak questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 985: A bill for an act relating to transportation; providing that certain information submitted to department of transportation is public data;

defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; amending Minnesota Statutes 1988, sections 13.72, by adding a subdivision; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b; and 221.221, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221.

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 1988, section 13.72, is amended by adding a subdivision to read:

*Subd. 6. [COMPLAINT DATA.] Names of complainants, complaint letters, and other unsolicited data furnished to the department of transportation by a person other than the data subject or department employee, which provide information that a person who is subject to chapter 221 or rules adopted under that chapter may not be in compliance with those requirements, are classified as confidential data or protected nonpublic data.*

Sec. 2. Minnesota Statutes 1988, section 13.72, is amended by adding a subdivision to read:

*Subd. 7. [PUBLIC INVESTIGATIVE DATA.] The following data created, collected, or maintained about persons subject to chapter 221 and rules adopted under that chapter are public: data contained in inspection and compliance forms and data contained in audit reports that are not prepared under contract to the federal highway administration.”*

Page 2, line 5, strike “van” and insert “*passenger-carrying van-type vehicle*”

Page 3, line 22, after the second “*driver*” insert “*under the terms of the motor vehicle lease*”

Page 3, delete section 6

Page 4, line 2, delete “*for a special*”

Page 4, line 3, delete everything before “*under*”

Page 4, line 7, after the comma, insert “*and*”

Page 4, line 9, delete “*in advance*” and delete everything after “*basis*” and insert a period

Page 4, delete lines 10 and 11 and insert:

“Sec. 8. [221.023] [CARRIERS OF CONSTRUCTION MATERIALS; PERMIT REQUIRED.]

*No person may engage in the intrastate transportation activities referred*

to in section 221.025, paragraph (h), for hire without a certificate or permit from the commissioner.

*The commissioner shall issue a certificate or permit upon payment by the person of a fee established by the commissioner and after compliance with section 221.141.*

*The commissioner shall revoke, suspend, or refuse to reissue or renew a certificate or permit to a person who is not in compliance with this section.*

*This section supersedes any inconsistent provision of section 221.025 or other law."*

Page 5, line 4, delete everything after the period

Page 5, delete lines 5 and 6

Page 5, line 7, delete "transportation."

Page 5, delete section 9 and insert:

"Sec. 10. Minnesota Statutes 1988, section 221.035, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIREMENT.] (a) A person may not transport hazardous waste that is required to have a manifest under Minnesota Rules, part 7045.0261, or is required to have shipping papers under Minnesota Rules, part 7045.0125, without a license issued under this section.

(b) If the applicant complies with the requirements of this section, the commissioner shall issue the license and shall issue a vehicle identification decal for each single unit vehicle or trailer that the licensee will use to transport hazardous waste. The applicant shall pay a fee of \$500 for a three-year license and an annual fee of \$25 for each vehicle identification decal. The license must be maintained at the licensee's principal place of business. The name and address of the licensee must be displayed on both sides of each unit of the vehicle. The vehicle identification decal must be displayed on the single unit vehicle or trailer to which it is assigned, as prescribed by the commissioner. The decal is effective only when the license is effective. The license must be renewed in the third year following the date of the issuance of the license. The licensee must obtain new decals each year. The license may not be transferred to another person. *All decals issued during the year expire each year on the anniversary date of the issuance of the license.*

(c) An applicant for a license under this section, who is not otherwise subject to section 221.141, shall file a certificate of insurance with the commissioner as provided in section 221.141. The certificate must state that the insurer has issued to the applicant a policy that by endorsement provides public liability insurance in the amount required by Code of Federal Regulations, title 49, part 387."

Page 6, after line 10, insert:

"Sec. 12. Minnesota Statutes 1988, section 221.121, is amended by adding a subdivision to read:

*Subd. 6b. [SPECIAL PASSENGER CARRIERS.] A person who has been granted a charter carrier permit by the board may provide special passenger service within the territory or on the routes granted in the order granting the charter carrier permit. A charter carrier that provides special*

*passenger service must file a tariff that shows the rates and charges that apply to the special passenger service."*

Page 6, delete lines 12 to 31 and insert:

*"This section governs the transfer of a permit in the event of the death of the permit holder. Within one year after the transfer of a permit of a deceased permit holder by the deceased permit holder's personal representative, or within one year after the date of a decree or order issued by the probate court transferring the permit of a deceased permit holder, the distributee, as defined in section 524.1-201, who received the permit shall apply to the board to have the permit transferred under the provisions of section 221.151, subdivision 2.*

*If an application to transfer the permit is not filed within the time prescribed above, the permit is revoked and the commissioner shall so notify the person who had received the permit."*

Page 7, delete section 13 and insert:

"Sec. 15. Minnesota Statutes 1988, section 221.141, is amended by adding a subdivision to read:

*Subd. 4. [IRREGULAR ROUTE CARRIERS OF HOUSEHOLD GOODS.] An irregular route common carrier of household goods shall maintain in effect cargo insurance or cargo bond in the amount of \$50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the irregular route common carrier of household goods permit was issued and whose operations are being insured. A carrier that was issued a permit as an irregular route common carrier of household goods before the effective date of this section shall obtain and file a cargo certificate of insurance or bond within 90 days of the effective date of this section.*

Sec. 16. [221.297] [MOTOR TRANSPORTATION BROKERS; PAYMENT BOND.]

*Every motor transportation broker shall file with the commissioner a bond, policy of insurance, or other security in an amount and form approved by the commissioner, guaranteeing that all money received for the payment of transportation charges is paid to the motor carrier providing the transportation. A motor transportation broker that does not issue invoices or otherwise handle money on behalf of a motor carrier is exempt from this requirement.*

*A motor transportation broker who violates this section is guilty of a misdemeanor.*

*For purposes of this section, "motor transportation broker" means a person in the business of arranging for the intrastate transportation of property or materials described in section 221.025, paragraph (h). This provision shall not prohibit the payment of a brokerage fee as agreed on between a motor carrier and the motor transportation broker.*

Sec. 17. Minnesota Statutes 1988, section 221.60, is amended by adding a subdivision to read:

*Subd. 3a. [FAILURE TO MAINTAIN INSURANCE.] If a carrier fails to maintain and file with the commissioner the insurance or bond required by section 221.141 and the rules of the commissioner, the commissioner shall suspend and cancel the carrier's interstate registration according to the procedure in section 221.185, subdivisions 2, paragraphs (a) and (b), clause (1); and 3. If the carrier fails to comply with section 221.141 within 45 days of the date of suspension, the commissioner shall cancel the carrier's interstate registration until the carrier files and maintains insurance as required by section 221.141 and rules of the commissioner. The commissioner shall notify the carrier of the cancellation.*

Sec. 18. [221.601] [AGREEMENTS WITH OTHER STATES.]

*Subdivision 1. [AUTHORITY.] The commissioner may enter agreements with representatives of other states to allow the cooperative registration of motor carriers transporting property or passengers for hire in interstate commerce. The agreement may authorize representatives of other states to issue interstate registration stamps and trip permits, accept the filing of insurance certificates and interstate commerce commission orders, and collect and disburse fees prescribed by this chapter. The agreement may allow the exchange of information for audit, reporting, and enforcement purposes, and the collection and disbursement of fees provided under this chapter and the laws of other states that participate in the agreement. The agreement must be in writing. The agreement may provide for the gradual adoption of a base state registration system. It may provide that a motor carrier based in another state participating in the agreement, that has filed evidence of financial responsibility in that state that meets the requirements of this chapter and of the agreement, need not file evidence of financial responsibility with the commissioner for its interstate operations in this state.*

*Subd. 2. [DEFINITION.] For purposes of this section, "state" means a state, the District of Columbia, or a state or province of a foreign country."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, delete everything after the semicolon

Page 1, delete line 15 and insert "providing for suspension of registration of interstate authority for failure to maintain insurance;"

Page 1, line 17, delete "a subdivision" and insert "subdivisions"

Page 1, line 19, delete "subdivisions" and insert "subdivision" and delete "20,"

Page 1, line 20, delete "221.111" and insert "221.035, subdivision 1"

Page 1, delete line 21 and insert "subdivision 6a, and by adding a subdivision; 221.141, subdivision 1b, and by adding a subdivision;"

Page 1, line 22, delete everything before the semicolon and insert "and 221.60, 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. 1441: A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility 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 3, lines 34 and 36, delete "60" and insert "180"

Page 4, line 3, delete "clauses" and insert "paragraphs"

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. 1376: A bill for an act relating to commerce; securities regulation; exempting certain over-the-counter securities from registration requirements; amending Minnesota Statutes 1988, section 80A.15, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 7, after "paragraph" insert "; provided that the National Market System provides the commissioner with notice of any material change in its designation requirements. The commissioner may revoke this exemption if the commissioner determines that the designation requirements are not enforced or are amended in a manner that lessens protection to investors"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

S.F. No. 895: A bill for an act relating to conservation; changing certain responsibilities; defining certain terms; adopting eligibility criteria; changing agreement terms and payment procedures; providing for enforcement; authorizing sale of certain bonds; appropriating money; amending Minnesota Statutes 1988, sections 40.42; 40.43; 40.44; 40.45; 84.95, subdivision 2; Laws 1986, chapter 383, section 17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 92.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 12, insert:

"Section 1. [18.189] [LOCAL SUSPENSION OF NOXIOUS WEED CONTROL.]

*During a drought the commissioner of agriculture may authorize town boards to suspend the duty of owners and occupants of land to control noxious weeds under sections 18.191 to 18.272, except under order by the commissioner or the local weed inspector."*

Page 1, line 17, strike "40.45" and insert "40.46"

Page 4, delete lines 26 to 32 and insert:

"Subd. 3. [CONSERVATION EASEMENTS.] The ~~commissioner~~ board may acquire conservation easements on eligible land. An easement may be permanent or of limited duration. An easement acquired on land for wind-break purposes, under subdivision 2, may be only of permanent duration. An easement of limited duration may not be acquired if it is for a period less than 20 years. The negotiation and acquisition of easements authorized by this section are exempt from the contractual provisions of chapter 16B."

Page 5, line 5, strike "unless" and insert "except, for agreements entered before the effective date of this act, grazing of livestock may be allowed only if"

Page 8, line 21, delete "commissioner" and insert "commissioners" and reinstate the stricken language

Page 8, line 34, delete "commissioner" and insert "commissioners" and after "of" insert "agriculture and"

Page 9, after line 22, insert:

"Sec. 6. [40.46] [RESERVATION OF MARGINAL LAND AND WETLANDS.]

*Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] Notwithstanding any other law, marginal land and wetlands are withdrawn from sale by the state unless use of the marginal land or wetland is restricted by a conservation easement as provided in this section.*

*Subd. 2. [DELINEATION OF WETLAND OR MARGINAL LAND.] (a) Before state land is sold, the land must be submitted to the board of water and soil resources to determine and delineate the marginal land and wetlands to be reserved or restricted by a conservation easement. The delineation of the reservation or conservation easement need not be by legal description and may be a description in general terms that identifies the marginal land or wetlands.*

*(b) Marginal land and wetlands may not be sold unless restricted by a conservation easement with the restrictions provided in section 40.43, subdivision 4, paragraphs (a) and (c), and other restrictions determined necessary by the board of water and soil resources.*

*Subd. 3. [SCHOOL TRUST LAND.] If the sale of school trust land as defined in section 92.025 is restricted by a conservation easement and the restriction results in a reduction of the amount received from the sale, the commissioner of natural resources must determine the amount of the reduction. The amount of the reduction in sale price is appropriated from the general fund and shall be credited to the account to which the proceeds from the sale are credited.*

*Subd. 4. [RELEASE OF CONSERVATION EASEMENT.] The board of water and soil resources may release and terminate a conservation easement created under this section after consultation with the commissioners of agriculture and natural resources. The board of water and soil resources may release and terminate a conservation easement only if the board determines the public interests and general welfare are better served by the release and termination.*

Sec. 7. [84.0276] [LAND TRANSFERS BY A FEDERAL AGENCY.]

*Before the commissioner of natural resources accepts agricultural land or a farm homestead transferred in fee by a federal agency, the commissioner must consult with the board of water and soil resources for a determination of marginal land, tillable farmland, and farm homestead. The commissioner must comply with the acquisition procedure under section 97A.145, subdivision 2, if the agricultural land or farm homestead was in an agricultural preserve as provided in section 40A.10."*

Page 10, after line 12, insert:

"Sec. 9. Minnesota Statutes 1988, section 282.018, is amended to read:

**282.018 [TAX-FORFEITED LAND; MEANDERED LAKES, MARGINAL LAND, AND WETLANDS; SALE; EXCEPTION.]**

*Subdivision 1. [PROPERTY ON OR ADJACENT TO PUBLIC WATERS.]* All land which is the property of the state as a result of forfeiture to the state for nonpayment of taxes, regardless of whether the land is held in trust for taxing districts, and which borders on or is adjacent to meandered lakes and other public waters and watercourses, and the live timber growing or being thereon, is hereby withdrawn from sale except as hereinafter provided. The authority having jurisdiction over the timber on any such lands may sell the timber as otherwise provided by law for cutting and removal under such conditions as the authority may prescribe in accordance with approved, sustained yield forestry practices. The authority having jurisdiction over the timber shall reserve such timber and impose such conditions as the authority deems necessary for the protection of watersheds, wildlife habitat, shorelines, and scenic features. Within the area in Cook, Lake, and St. Louis counties described in the Act of Congress approved July 10, 1930 (46 Stat. 1020), the timber on tax-forfeited lands shall be subject to like restrictions as are now imposed by that act on federal lands.

Of all tax-forfeited land bordering on or adjacent to meandered lakes and other public waters and watercourses and so withdrawn from sale, a strip two rods in width, the ordinary high-water mark being the water side boundary thereof, and the land side boundary thereof being a line drawn parallel to the ordinary high-water mark and two rods distant landward therefrom, hereby is reserved for public travel thereon, and whatever the conformation of the shore line or conditions require, the authority having jurisdiction over such lands shall reserve a wider strip for such purposes.

Any tract or parcel of land which has 50 feet or less of waterfront may be sold by the authority having jurisdiction over the land, in the manner otherwise provided by law for the sale of such lands, if the authority determines that it is in the public interest to do so. If the authority having jurisdiction over the land is not the commissioner of natural resources, the land may not be offered for sale without the prior approval of the commissioner of natural resources.

*Subd. 2. [MARGINAL LAND AND WETLANDS.]* *Marginal land and wetlands on land that is property of the state as a result of forfeiture to the state for nonpayment of taxes is withdrawn from sale unless restricted by a conservation easement as provided in section 40.46.*

Sec. 10. Minnesota Statutes 1988, section 500.221, subdivision 2, is amended to read:

**Subd. 2. [ALIENS AND NON-AMERICAN CORPORATIONS.]** Except as hereinafter provided, no natural person shall acquire directly or indirectly



any interest in agricultural land unless the person is a citizen of the United States or a permanent resident alien of the United States. In addition to the restrictions in section 500.24, no corporation, partnership, limited partnership, trustee, or other business entity shall directly or indirectly, acquire or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to agricultural land unless at least 80 percent of each class of stock issued and outstanding or 80 percent of the ultimate beneficial interest of the entity is held directly or indirectly by citizens of the United States or permanent resident aliens. This section shall not apply:

(1) to agricultural land that may be acquired by devise, inheritance, as security for indebtedness, 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. All agricultural land acquired in the collection of debts or by the enforcement of a lien or claim shall be disposed of within three years after acquiring ownership;

(2) to citizens or subjects of a foreign country whose rights to hold land are secured by treaty;

(3) to lands used for transportation purposes by a common carrier, as defined in section 218.011, subdivision 2;

(4) to lands or interests in lands acquired for use in connection with mining and mineral processing operations. Pending the development of agricultural land for mining purposes the land may not be used for farming except under lease to a family farm, a family farm corporation or an authorized farm corporation;

(5) to agricultural land operated for research or experimental purposes if the ownership of the agricultural land is incidental to the research or experimental objectives of the person or business entity and the total acreage owned by the person or business entity does not exceed the acreage owned on May 27, 1977; ~~or~~

(6) to the purchase of any tract of 40 acres or less for facilities incidental to pipeline operation by a company operating a pipeline as defined in section 116I.01, subdivision 3; *or*

*(7) to agricultural land and land capable of being used as farmland used as reasonably necessary to meet the requirements of pollution control laws or rules, or in a manner otherwise incidental to this purpose."*

Page 11, delete line 4

Page 11, line 12, delete "plus" and insert "and is subject to"

Page 11, line 23, delete "20" and insert "60"

Page 11, line 34, delete "demand" and insert "shall bring an action for"

Page 12, line 1, delete "demand" and insert "shall bring an action for"

Page 12, after line 16, insert:

*"Subd. 4. [SEPARATE ACTIONS.] The prosecution for criminal trespass and the civil penalty are separate criminal and civil actions. If a trespass occurs, an action may be commenced for the criminal penalty, the civil penalty, or the civil penalty and the criminal penalty."*

Page 13, line 4, delete "9" and insert "14"

Page 14, after line 24, insert:

*"Subd. 5. \$ . . . . . is appropriated from the general fund to the board of water and soil resources to be available until June 30, 1991, to make grants to local soil and water conservation districts to assist in financing the replanting of trees planted during 1987 and 1988 under the conservation reserve program and lost to the drought.*

*Subd. 6. [EXTENSION OF FOREST MANAGEMENT FUND NUISANCE ACCOUNT.] The appropriation of dedicated receipts from the forest management fund nurseries account under Minnesota Statutes, section 89.04, is extended by \$600,000 annually specifically for the purchase, growing, and distribution of seedlings to replace those killed by drought."*

Page 14, line 26, after the period, insert *"Sections 6 and 9 apply to state land and tax-forfeited land sold after March 15, 1990."*

ReNUMBER the sections in sequence

Delete the title and insert:

*"A bill for an act relating to natural resources; amending provisions relating to the conservation reserve program; changing authority over the conservation reserve program from the commissioner of agriculture to the board of water and soil resources; defining certain terms; changing criteria for eligible land; prohibiting grazing of land under future agreements; providing conditions and payment for wetland restoration; providing for enforcement and liability for damages for violation of the terms of a conservation easement or agreement; authorizing the board to adopt rules; authorizing the commissioner of agriculture to allow town boards to suspend the duty of owners and occupants to control noxious weeds under certain conditions; withdrawing certain marginal land and wetlands from sale by the state unless restricted by a conservation easement under certain conditions; requiring certain acquisition procedures before the commissioner of natural resources accepts agricultural land or farm homesteads in fee from the federal government; authorizing aliens and non-Americans to own certain agricultural land to comply with pollution control laws or rules; authorizing sale of certain bonds; appropriating money; amending Minnesota Statutes 1988, sections 40.42; 40.43; 40.44; 40.45; 84.95, subdivision 2; 282.018; 500.221, subdivision 2; Laws 1986, chapter 383, section 17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 18; 40; 84; and 92."*

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. 1416: A bill for an act relating to workers' compensation; regulating insurance for truckers and loggers; imposing a tax on certain purchasers of wood to subsidize insurance costs of loggers; regulating coverages and rates; appropriating money; amending Minnesota Statutes 1988, sections 79.251, subdivision 3; 79.252, by adding a subdivision; 176.011, by adding a subdivision; 176.041, subdivision 1; 176.102, by adding a subdivision; 176.184, by adding a subdivision; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; proposing coding for new law as Minnesota Statutes, chapter 297E.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

“ARTICLE I

TRUCKERS INSURANCE

Section 1. Minnesota Statutes 1988, section 79.252, is amended by adding a subdivision to read:

*Subd. 6. [COVERAGE OUTSIDE STATE.] Policies issued by the assigned risk plan pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The commissioner, on behalf of the assigned risk plan, may apply for and obtain any licensure required in any other state to issue that coverage.*

Sec. 2. [79.571] [TRUCK DRIVER CLASSIFICATIONS.]

*Subdivision 1. [COMBINING CERTAIN CLASSIFICATIONS.] (a) The purpose of this section is to spread the high cost of workers' compensation premiums for truck drivers among a broader range of classifications in the trucking industry without unnecessarily raising rates in classifications that typically include employees with a relatively low risk of injury.*

*(b) The following classifications from the basic manual for workers' compensation and employers liability insurance, including the Minnesota exceptions, shall be combined into one classification, and all risks in the combined classification must be charged a uniform workers' compensation rate:*

*(1) 7219 - all employees and drivers, not otherwise classified;*

*(2) 7380 - drivers, chauffeurs, and their helpers, not otherwise classified - commercial; and*

*(3) 8293 - furniture moving and storage drivers.*

*(c) The risks in classifications 7219, 7380, and 8293, as of January 1, 1989, and any risks after that date that would have been classified as a risk under the 7219, 7380, or 8293 classification in the basic manual of workers' compensation and employers liability insurance classification system in existence on January 1, 1989, including the Minnesota exceptions, must be assigned to the combined class created by this subdivision.*

*(d) For purposes of this section, the classification 7380 shall no longer include ambulance drivers. Such drivers shall be reclassified by a data service organization into another comparable classification whose rates are equal to or less than the current rates for code 7380.*

*Subd. 2. [MANDATORY USE OF CLASSIFICATION.] An insurer or data service organization is prohibited from filing or using rates or a rating system or a classification system for truck drivers that does not comply with this section. Except as otherwise provided under subdivision 1, paragraph (d), an insurer or data service organization is prohibited from restructuring or varying the risk classification system to eliminate or modify the combined classification created by subdivision 1 or to remove or add any categories of risks from the combined classification without first obtaining approval of the commissioner. The commissioner shall not approve a variation of the uniform classification system that is inconsistent with the purpose of this section.*

*Subd. 3. [MANDATORY EXPERIENCE RATING.] An insurer for a business entity or individual engaged in the truck driving industry must use an experience rated plan. An insurer may not exempt from this requirement trucking businesses for which the workers' compensation insurance premium is less than a certain dollar amount.*

*Subd. 4. [DETERMINATION OF RISK ASSIGNMENT.] If a dispute arises concerning whether or not a risk should be assigned to the combined classification established in subdivision 1, the commissioner shall determine the appropriate classification. If the employer or insurer disagrees with the commissioner's decision, the employer or insurer may request a hearing under chapter 14 by filing a written request with the commissioner within 30 days of the service and filing of the decision, on a form prescribed by the commissioner. The commissioner may adopt emergency and permanent rules to implement this section.*

*Subd. 5. [APPLICABILITY.] Nothing in this section prohibits an employer from dividing a payroll among the rating classifications as provided under section 79.211, subdivision 2.*

Sec. 3. Minnesota Statutes 1988, section 79.60, subdivision 2, is amended to read:

Subd. 2. [PERMITTED ACTIVITY.] In addition to any other activities not prohibited by this chapter, insurers may:

(a) Through licensed data service organizations, individually, or with insurers commonly owned, managed, or controlled, conduct research and collect statistics to investigate, identify, and classify information relating to causes or prevention of losses;

(b) Develop and use classification plans and rates based upon any reasonable factors *subject to section 2*; and

(c) Develop rules for the assignment of risks to classifications *subject to section 2*.

Sec. 4. Minnesota Statutes 1988, section 79.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED ACTIVITY.] Any data service organization shall perform the following activities:

(a) File statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification for reporting purposes *subject to section 2*;

(b) Establish requirements for data reporting and monitoring methods to maintain a high quality data base;

(c) Prepare and distribute a periodic report, in a form prescribed by the commissioner, on ratemaking including, but not limited to the following elements:

(i) development factors and alternative derivations;

(ii) trend factors and alternative derivations and applications;

(iii) pure premium relativities for the approved classification system for which data are reported, provided that the relativities for insureds engaged in similar occupations and presenting substantially similar risks shall, if

different, differ by at least ten percent; and

(iv) an evaluation of the effects of changes in law on loss data.

The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization;

(d) Collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner;

(e) Prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(f) Provide loss data specific to an insured to the insured at a reasonable cost;

(g) Distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; and

(h) Assess its members for operating expenses on a fair and equitable basis.

Sec. 5. Minnesota Statutes 1988, 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 to issue the coverage.*

## ARTICLE 2

### TRUCKERS REHABILITATION

Section 1. Minnesota Statutes 1988, section 176.102, is amended by adding a subdivision to read:

*Subd. 4a. [PILOT PROJECT.] (a) The purpose of this pilot project is to test the impact of early and intense rehabilitation efforts in the regulated motor carrier industry, (truckers who are subject to chapter 221 as "for hire" motor carriers), which has high workers' compensation costs in part because of difficulty in bringing injured employees back to work.*

*(b) Within three working days after the filing of the first report of injury, the employer shall refer all truck drivers in the regulated motor carrier industry who have not returned to work to the division of rehabilitation services of the department of jobs and training. The division of rehabilitation services shall provide immediate rehabilitation services to those employees it determines are not likely to return to work within 30 days of the injury. The employee must cooperate with any rehabilitation plan adopted under this section. The employee may change to a different qualified rehabilitation consultant at the division of rehabilitation services but may not change to a private qualified rehabilitation consultant.*

(c) *The rehabilitation plan under this section must give high priority to returning the injured employee to work as soon as possible. When a suitable job under section 176.101, subdivision 3e, is not immediately available, the plan must attempt to get the employee back to a job under section 176.101, subdivision 3f, as soon as possible. After the employee has returned to a job under section 176.101, subdivision 3f, the employee shall make additional efforts to find a suitable job. At the time the plan is developed, the participants shall evaluate the need for retraining, although the need may be reconsidered at any time.*

(d) *Fees for the qualified rehabilitation consultant shall be paid by the division of rehabilitation services and are not recoverable from the employer or insurer. All other rehabilitation costs shall be paid by the employer.*

(e) *The division of rehabilitation services shall report to the legislature by January 1, 1992, regarding the impact of this project on returning injured truckers to work.*

(f) *This subdivision shall apply to all injuries to truck drivers from July 1, 1989, to June 30, 1991.*

#### Sec. 2. [APPROPRIATION.]

*\$381,860 is appropriated for the biennium ending June 30, 1991, from the special compensation fund to the department of jobs and training for the purposes of section 1. The complement of the department of jobs and training is increased by six positions, but only until June 30, 1991.*

### ARTICLE 3

#### LOGGERS

Section 1. Minnesota Statutes 1988, 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. The commissioner shall fix the compensation received by the agent of record. *The commissioner shall provide a quarterly payment plan for the logging industry.* The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.

Sec. 2. Minnesota Statutes 1988, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to any of the following:

(a) a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law;

(b) a person employed by a family farm as defined by section 176.011, subdivision 11a;

(c) the spouse, parent, and child, regardless of age, of a farmer-employer working for the farmer-employer;

(d) a sole proprietor, or the spouse, parent, and child, regardless of age, of a sole proprietor;

(e) a partner engaged in a farm operation or a partner engaged in a business and the spouse, parent, and child, regardless of age, of a partner in the farm operation or business;

(f) an executive officer of a family farm corporation;

(g) an executive officer of a closely held corporation having less than 22,880 hours of payroll in the preceding calendar year, if that executive officer owns at least 25 percent of the stock of the corporation;

(h) a spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, and employed by that family farm corporation;

(i) a spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation who is referred to in paragraph (g);

(j) another farmer or a member of the other farmer's family exchanging work with the farmer-employer or family farm corporation operator in the same community;

(k) a person whose employment at the time of the injury is casual and not in the usual course of the trade, business, profession, or occupation of the employer;

(l) persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83, except that this exclusion does not apply to an employee of an independent contractor *and to loggers, as defined in section 3, unless the logger qualifies for exclusion under paragraph (d), (e), or (g) of this section;*

(m) an officer or a member of a veterans' organization whose employment relationship arises solely by virtue of attending meetings or conventions of the veterans' organization, unless the veterans' organization elects by resolution to provide coverage under this chapter for the officer or member;

(n) a person employed as a household worker in, for, or about a private home or household who earns less than \$1,000 in cash in a three-month period from a single private home or household provided that a household worker who has earned \$1,000 or more from the household worker's present employer in a three-month period within the previous year is covered by this chapter regardless of whether or not the household worker has earned \$1,000 in the present quarter;

(o) persons employed by a closely held corporation who are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to an officer of the corporation, who is referred to in paragraph (g), if the corporation files a written election with the commissioner to exclude such individuals. A written election is not required for a person who is otherwise excluded from this chapter by this section;

(p) a nonprofit association which does not pay more than \$1,000 in salary or wages in a year;

(q) persons covered under the Domestic Volunteer Service Act of 1973, as amended, United States Code, title 42, sections 5011, et. seq.

Sec. 3. [176.130] [TARGETED INDUSTRY FUND; LOGGERS.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms have the meaning given them, except where the context clearly indicates a different meaning.*

(a) "Commissioner" is the commissioner of labor and industry unless otherwise provided.

(b) "Logger" is limited to the following occupations:

(1) timber fellers: those who employ chainsaws or other mechanical devices mounted on logging vehicles to fell or delimb trees;

(2) buckers or chippers: those who cut trees into merchantable lengths with either chainsaws or heavier machinery, including slashers, harvesters, and processors;

(3) skidders or forwarders: those who either drag logs or trees to roadside landings, or load and transport logs or short wood (fuel wood or pulp wood) to similar destinations; and

(4) timber harvesters or processors: those who combine two or more of the operations listed in clauses (1) to (3).

(c) "Logging industry" means loggers and employers of loggers.

(d) "Wood mill" means the primary processors of wood or wood chips including, but not limited to, hard board manufacturers, wafer board or oriented strand board manufacturers, pulp and paper manufacturers, sawmills, and other primary manufacturers who do the initial processing of wood purchased from loggers.

(e) "Insurer" means any insurance company that provides workers' compensation coverage for loggers including the Minnesota assigned risk plan.

*Subd. 2. [ADMINISTRATION.] The commissioner shall administer and enforce this section. Payments required by this section shall be made with forms provided by the commissioner. The commissioner shall maintain a separate account in the special compensation fund for the purposes of this section and shall collect all assessments and allocate the assessments as provided in this section.*

*Subd. 3. [PROOF OF INSURANCE; LOGGING INDUSTRY.] Purchasers of wood from the logging industry shall obtain from the logger a certification of compliance with the mandatory insurance requirements of this chapter, or reason for exemption, on a form prescribed by the commissioner. A purchaser includes, but is not limited to, dealers and jobbers buying from the logging industry to sell to wood mills, and wood mills that buy directly from the logging industry. Certificates obtained by the purchaser shall be submitted to the commissioner on request. The powers of inspection and enforcement pertaining to employers under section 176.184 shall be available with regard to purchasers under this section.*

*Subd. 4. [ASSESSMENT.] There is imposed an assessment, at the rate of 25 cents per cord of wood, for every cord of wood in excess of 5,000 cords, purchased or acquired in any calendar year, either inside or outside the state, by a wood mill located in Minnesota. This assessment shall be paid by the wood mill to the commissioner on or before February 1 for the previous calendar year and shall not, in any way, be recovered by the wood mill from the logging industry.*



*Subd. 5. [ANNUAL REPORTS; WOOD MILLS; INSURERS.] (a) Each wood mill that purchases or acquires more than 5,000 cords of wood in a calendar year shall, on or before February 1, make and file with the commissioner a report setting forth the number of cords purchased or acquired in the preceding calendar year, and other information the commissioner may require for the proper administration of this chapter.*

*(b) Each insurer shall, on or before February 1, make and file with the commissioner a report setting forth the total amount of premium dollars received in the preceding calendar year for providing workers' compensation coverage to loggers, and other information the commissioner may require for the proper administration of this section.*

*Subd. 6. [ALLOCATION OF ASSESSMENT.] Money collected under this section shall be paid by the commissioner, on or before June 1, directly to each insurer in a proportion equal to the proportion that the total premium dollars received by that insurer in the preceding calendar year for providing workers' compensation coverage to loggers is to the total premium dollars received by all insurers in the preceding calendar year for providing that coverage.*

*Subd. 7. [USE OF ASSESSMENT BY INSURERS.] Money paid to insurers under subdivision 6 shall be used to reimburse policyholders who have paid premiums for workers' compensation coverage on loggers. The insurer shall reimburse to those policyholders a proportion of the money equal to the proportion that the policyholder's premium for the preceding calendar year is to the total premium dollars for all such policyholders of that insurer in the preceding calendar year. The insurer shall reimburse the policyholders within 30 days after receiving payment from the commissioner. Where, after reasonable efforts, the insurer is unable to locate a policyholder or otherwise make payment, the payment shall be submitted to the commissioner of commerce as unclaimed property. Reimbursement for the assigned risk plan shall be made by the company holding a service contract under section 79.251, subdivision 4.*

*Subd. 8. [INSPECTION.] The commissioner or duly authorized employees may, at all reasonable hours, enter in and upon the premises of a wood mill or an insurer and examine books, papers, and records to determine whether the assessment has been properly paid or properly reimbursed.*

*Subd. 9. [PENALTIES; WOOD MILLS.] Where the assessment provided for in this chapter is not paid on or before February 1 of the year when due and payable, the commissioner may impose penalties as provided in section 176.129, subdivision 10.*

*Subd. 10. [PENALTIES; INSURERS.] Where the reimbursement provided for in this section is not mailed by the insurer to the policyholder within 30 days after receiving payment from the commissioner, the commissioner may impose penalties as provided in section 176.129, subdivision 10. Where the insurer is unable to make reimbursement to the policyholder, the reimbursement shall be submitted to the commissioner as unclaimed property within 180 days after receiving payment from the commissioner.*

*Subd. 11. [FALSE REPORTS.] Any person or entity that, for the purpose of evading payment of the assessment or avoiding the reimbursement, or any part of it, makes a false report under this section shall pay to the special compensation fund a penalty of 50 percent of the amount of the*

*assessment. A person who knowingly makes or signs any false report, or who knowingly submits any other false information, is guilty of a misdemeanor and, upon conviction, punished as provided by law.*

*Subd. 12. [EMPLOYER-EMPLOYEE RELATIONSHIP.] This section shall not be construed in any way to create an employer-employee relationship or be used as a factor in determining the existence of an employer-employee relationship.*

Sec. 4. [APPROPRIATION.]

*\$25,000 is appropriated from the special compensation fund to the department of labor and industry for each fiscal year in the biennium beginning July 1, 1989, to be used for a safety program in the logging industry. The commissioner of labor and industry may contract with a private entity to plan and implement the safety program.*

#### ARTICLE 4

#### STATE CLAIMS

Section 1. Minnesota Statutes 1988, section 176.541, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION OF CHAPTER TO STATE EMPLOYEES.] This chapter applies to the employees of ~~any department of this state~~ *the executive, legislative, and judicial branches of the state, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund, including the state historical society and the state agricultural society.*

Sec. 2. Minnesota Statutes 1988, section 176.541, subdivision 2, is amended to read:

Subd. 2. [DEFENSE OF CLAIM AGAINST STATE.] When the commissioner of employee relations believes that a claim against the state for compensation should be contested, the commissioner shall defend the state claim. *The commissioner has sole authority to settle claims on behalf of the state.*

Sec. 3. Minnesota Statutes 1988, section 176.541, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF ATTORNEY GENERAL.] At any stage in ~~such~~ *a compensation proceeding under this section*, the attorney general may assume the duty of defending the state. When the commissioner of employee relations ~~or a department of this state~~ requests the attorney general to assume the defense, the attorney general shall do so.

Sec. 4. Minnesota Statutes 1988, section 176.541, subdivision 5, is amended to read:

Subd. 5. [EXPENSES OF CONDUCTING DEFENSE.] The expenses of conducting a defense ~~shall must~~ be charged to the ~~department which~~ *entity that employs the employee involved. These expenses shall must* be paid from the state compensation revolving fund.

Sec. 5. Minnesota Statutes 1988, section 176.541, subdivision 6, is amended to read:

Subd. 6. [LEGAL, PROFESSIONAL, AND CLERICAL HELP SERVICES.] The commissioner of employee relations may employ ~~such~~ *legal,*

*professional, and clerical help services as authorized by the department of administration finance. The salaries cost of these persons shall the services must be paid from the state compensation revolving fund; but shall be apportioned among the several departments of the state in relation to the amount of compensation paid to employees of any department as against the total amount of compensation paid to employees of all departments.*

Sec. 6. Minnesota Statutes 1988, section 176.551, subdivision 1, is amended to read:

Subdivision 1. [~~HEADS OF STATE DEPARTMENTS EMPLOYING ENTITIES TO REPORT ACCIDENTS TO EMPLOYEES.~~] Except as provided in subdivision 2, the head of a ~~department of the state~~ *employing entity, including the University of Minnesota and other entities whose workers' compensation liability is paid from the state revolving fund, shall report each accident which that occurs to an employee as and in the manner required by this chapter.*

Sec. 7. Minnesota Statutes 1988, section 176.571, is amended to read:

176.571 [INVESTIGATIONS OF INJURIES TO STATE EMPLOYEES.]

Subdivision 1. [PRELIMINARY INVESTIGATION.] When the head of a ~~department~~ *an employing state entity* has filed a report or the commissioner of employee relations has otherwise received information of the occurrence of an injury to a state employee for which liability to pay compensation may exist, the commissioner of employee relations shall make a preliminary investigation to determine the question of probable liability.

In making this investigation, the commissioner of employee relations may require the assistance of the head of any ~~department~~ *entity* or any employee of the state. The commissioner of employee relations may require that all facts be furnished ~~which that~~ appear in the records of any state ~~department~~ *entity* bearing on the issue.

Subd. 2. [DETERMINATION BY DEPARTMENT.] When the commissioner of the department of employee relations has completed an investigation, the commissioner shall inform the claimant; ~~and the head of the employing department, and the commissioner of finance~~ *entity* in writing of the action taken.

Sec. 8. Minnesota Statutes 1988, section 176.581, is amended to read:

176.581 [PAYMENT TO STATE EMPLOYEES.]

Upon a warrant ~~prepared~~ *approved* by the commissioner of the department of employee relations and ~~approved~~ *prepared* by the commissioner of finance, ~~and in accordance with the terms of the order awarding compensation,~~ the state treasurer shall pay compensation to the employee or the employee's dependent. These payments ~~shall~~ *must* be made from money appropriated for this purpose.

Sec. 9. Minnesota Statutes 1988, section 176.591, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] To facilitate the discharge by the state of its obligations under this chapter, ~~there is established a revolving fund to be known as~~ *the state compensation revolving fund is maintained in the state treasury.*

This fund ~~is comprised of~~ *comprises* the unexpended balance in the fund on July 1, 1935, and the sums ~~which the several departments employing entities of the state pay to the fund.~~

Sec. 10. Minnesota Statutes 1988, section 176.591, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION PAYMENTS UPON WARRANTS.] The state treasurer shall make compensation payments from the fund only as authorized by this chapter upon warrants ~~of~~ *approved by* the commissioner of the department of employee relations.

Sec. 11. Minnesota Statutes 1988, section 176.603, is amended to read:

176.603 [COST OF ADMINISTERING CHAPTER, PAYMENT.]

The annual cost to the commissioner of the department of employee relations of administering this chapter in relation to state employees and the necessary expenses ~~which that~~ the department of employee relations or the attorney general incurs in *containing costs or in* investigating, administering, and defending a claim against the state for compensation ~~shall~~ *must* be paid from the state compensation revolving fund.

Sec. 12. Minnesota Statutes 1988, section 176.611, subdivision 2, is amended to read:

Subd. 2. [STATE DEPARTMENTS.] ~~Every department~~ *An employing entity* of the state, including the University of Minnesota, shall reimburse the fund for money paid for its claims, *an occupational preventive health and safety program under section 15.46,* and the costs of administering the revolving fund at ~~such whatever~~ times and in ~~such whatever~~ amounts as the commissioner of employee relations ~~shall certify~~ *certifies* has been paid out of the fund ~~on its behalf~~. The heads of the ~~departments~~ *entities* shall anticipate these payments by including them in their budgets. In addition, the commissioner of employee relations, with the approval of the commissioner of finance, may require an ~~agency~~ *entity* to make advance payments to the fund sufficient to cover the ~~agency's~~ *entity's* estimated obligation for a period of at least 60 days. Reimbursements and other money received by the commissioner of employee relations under this subdivision must be credited to the state compensation revolving fund.

Sec. 13. [REPEALER.]

*Minnesota Statutes 1988, section 176.541, subdivision 7, is repealed.*

## ARTICLE 5

### MISCELLANEOUS

Section 1. Minnesota Statutes 1988, 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 1988, section 176.011, subdivision 16, is amended to read:

Subd. 16. [PERSONAL INJURY.] (a) "Personal injury" means injury arising out of and in the course of employment and includes personal injury caused by occupational disease; but does not cover an employee except while engaged in, on, or about the premises where the employee's services require the employee's presence as a part of such service at the time of the injury and during the hours of such service.

(b) Where the employer regularly furnished transportation to employees to and from the place of employment such employees are subject to this chapter while being so transported, but shall not include an injury caused by the act of a third person or fellow employee intended to injure the employee because of personal reasons, and not directed against the employee as an employee, or because of the employment.

(c) *Exposure to rabies arising out of and in the course of employment is a personal injury under this subdivision for purposes of section 176.135.*

Sec. 3. Minnesota Statutes 1988, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation.

(b) The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment.

(c) *The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.*

(d) *The employer shall furnish preventive treatment to employees exposed to rabies arising out of and in the course of employment.*

(e) In case of the employer's inability or refusal seasonably to do so the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and

attorney fees incurred by the employee. No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7. Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. ~~The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.~~

~~(b) (f)~~ Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

Sec. 4. Minnesota Statutes 1988, 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 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.~~ The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall 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. 5. Minnesota Statutes 1988, 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 reimbursement allowance~~ 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 meets and shall be set at the 75th percentile of the billings for each service in the data base; provided that the requirements of paragraphs (a) to (e) are met.~~

(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 data are taken from the data base of Blue Cross and Blue Shield of Minnesota where available; if not available from Blue Cross and Blue Shield of Minnesota, the data will be taken directly from the health care providers, professional associations, or other available sources.~~

~~(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~~ *The standard deviation is less than or equal to 50 percent of the mean of the billings for each service in the data base or the value of the 75th percentile is not greater than or equal to three times the value of the 25th percentile of the billings for each service in the data base.*

~~(e) The data is taken from the data base of Blue Cross and Blue Shield or the department of human services~~ *The 75th percentile logically reflects the usual and customary charges for the service.*

*If the commissioner identifies a problem with the data for a particular service such that the 75th percentile does not logically reflect the usual and customary charges for that service, the commissioner may, upon consultation with the medical services review board, set the reimbursement fee.*

Sec. 6. Minnesota Statutes 1988, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. *The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department or a compensation judge to order an examination at a location further from the petitioner's residence.* The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's physician. Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or representative of the employee. The employer shall pay reasonable travel expenses, *in advance if requested*, incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.

No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather addition information which was not included on the petition as required by section 176.291.”

Delete the title and insert:

“A bill for an act relating to workers’ compensation; regulating insurance coverage and rates for truckers; establishing a rehabilitation pilot project for injured truckers; regulating the logging industry; regulating state claims; making miscellaneous changes; appropriating money; amending Minnesota Statutes 1988, sections 79.251, subdivision 3; 79.252, by adding a subdivision; 79.60, subdivision 2; 79.61, subdivision 1; 176.011, subdivisions 11a and 16; 176.041, subdivision 1; 176.102, by adding a subdivision; 176.135, subdivision 1; 176.136, subdivisions 1 and 5; 176.155, subdivision 1; 176.541, subdivisions 1, 2, 3, 5, and 6; 176.551, subdivision 1; 176.571; 176.581; 176.591, subdivisions 1 and 3; 176.603; 176.611, subdivision 2; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1988, section 176.541, subdivision 7.”

And when so amended the bill do pass. Mr. Knaak 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 and Rural Development, to which was referred

S.F. No. 1285: A bill for an act relating to livestock; providing funds for the Minnesota extension service to match other money to establish a position in the college of veterinary medicine for an expert on small ruminants; 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. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

S.F. No. 1026: A bill for an act relating to natural resources; promoting Minnesota horticultural peat; 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. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 752: A bill for an act relating to agriculture; appropriating money to discharge mandated grain inspection costs at Duluth; proposing coding for new law in Minnesota Statutes, chapter 17B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, after “*inspection*” insert “*of bagged grain*”

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. 662: A bill for an act relating to public safety; authorizing fire department access to criminal history data; 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. [299F035] [FIRE DEPARTMENT ACCESS TO AND USE OF CRIMINAL HISTORY DATA.]

*Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.*

*(b) “Criminal history data” has the meaning given in section 13.87.*

*(c) “Criminal justice agency” has the meaning given in section 299C.46, subdivision 2.*

*(d) “Fire department” has the meaning given in section 299F.092, subdivision 6.*

*(e) “Private data” has the meaning given in section 13.02, subdivision 12.*

*Subd. 2. [ACCESS TO DATA.] The superintendent of the bureau of criminal apprehension, in consultation with the state fire marshal, shall develop and implement a plan for fire departments to have access to criminal history data. The plan must include:*

*(1) security procedures to prevent unauthorized use or disclosure of private data; and*

*(2) a procedure for the hiring authority in each fire protection agency to fingerprint job applicants, submit requests to the bureau of criminal apprehension, and obtain state and federal criminal history data reports for a nominal fee.*

*Subd. 3. [RELATION OF CONVICTION TO FIRE PROTECTION.] Criminal history data may be used in assessing fire protection agency job applicants only if the criminal history data are directly related to the position of employment sought.*

*Subd. 4. [DETERMINATION OF RELATIONSHIP.] In determining if criminal history data are directly related to the position of employment sought, the hiring authority may consider:*

*(1) the nature and seriousness of the criminal history data on the job applicant;*

*(2) the relationship of the criminal history data to the purposes of regulating the position of employment sought; and*

*(3) the relationship of the criminal history data to the ability, capacity, and fitness required to perform the duties and discharge the responsibilities of the position of employment sought.*

Sec. 2. Minnesota Statutes 1988, section 364.09, is amended to read:  
364.09 [EXCEPTIONS.]

This chapter shall not apply to the practice of law enforcement, to fire

*protection agencies*, to eligibility for a family day care license, a family foster care license, a home care provider license, or to eligibility for school bus driver endorsements. Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

Sec. 3. Minnesota Statutes 1988, section 626.52, subdivision 3, is amended to read:

Subd. 3. [REPORTING BURNS.] A health professional shall ~~immediately~~ file a written report with the state fire marshal within 72 hours after being notified of 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 shall provide the form provided by the fire marshal for the report.~~

Delete the title and insert:

"A bill for an act relating to public safety; authorizing fire department access to criminal history data; limiting use of criminal history data in assessing fire protection agency job applicants; exempting fire protection agencies from requirements relating to public employment of rehabilitated criminal offenders; eliminating the requirement that certain burn injuries must be reported by telephone; amending Minnesota Statutes 1988, sections 364.09; and 626.52, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299F"

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. 854: A bill for an act relating to the collection and dissemination of data; providing access to private and confidential data related to delinquent acts for law enforcement purposes; amending Minnesota Statutes 1988, sections 13.84, subdivision 5a; and 260.161, 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 1988, section 13.84, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to: (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; ~~or~~; and (2) criminal acts or delinquent acts to the ~~victim~~ victims

of a criminal ~~act where~~ or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution. *In the case of delinquent acts, the data that may be released include only the juvenile's name, address, and place of employment and may be released only by the juvenile court upon a showing of cause.*

Sec. 2. Minnesota Statutes 1988, section 260.161, subdivision 2, is amended to read:

Subd. 2. Except as provided in this subdivision and in subdivision 1, and except for legal records arising from proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except (a) by order of a court or (b) as required by sections 611A.03, 611A.04, and 611A.06. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. *Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84.* This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95."

Amend the title as follows:

Page 1, line 4, delete "law enforcement"

Page 1, line 5, before the semicolon, insert "of victim restitution"

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. 412: A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's race, color, religion, sex, sexual orientation, disability, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79,

by adding a subdivision; and 609.795.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, after "victim's" insert "*or another's actual or perceived*"

Page 1, line 20, after the comma, insert "age,"

Page 1, line 23, delete everything after "Whoever"

Page 1, delete lines 24 to 29

Page 2, delete line 1

Page 2, line 2, delete the paragraph coding and delete "(2)"

Page 2, line 3, before the period, insert "*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*"

Page 2, line 9, after "another's" insert "*actual or perceived*"

Page 2, line 10, after the comma, insert "age,"

Page 2, line 24, strike "SECOND" and insert "THIRD"

Page 2, line 34, after "another's" insert "*actual or perceived*"

Page 2, line 35, after the second comma, insert "age,"

Page 3, line 22, after "owner's" insert "*or another's actual or perceived*"

Page 3, line 23, after the comma, insert "age,"

Page 3, line 30, after "victim's" insert "*or another's actual or perceived*"

Page 3, line 31, after the second comma, insert "age,"

Page 4, line 3, after "victim's" insert "*or another's actual or perceived*"

Page 4, line 5, after the comma, insert "age,"

Page 4, line 30, after "victim's" insert "*or another's actual or perceived*"

Page 4, line 32, after the comma, insert "age,"

Amend the title as follows:

Page 1, line 3, after "victim's" insert "*or another's actual or perceived*"

Page 1, line 4, after "disability," insert "age,"

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. 1227: A bill for an act relating to commerce; providing for the regulation of real estate closing agents; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 82.17, subdivisions 7, 9, and 10; 82.18; 82.19, subdivisions 1, 2, 3, and 4; 82.20, subdivisions 1, 2, 3, 4, 5, 8, and 12; 82.21, subdivision 1; 82.22, subdivisions 1, 5, 6, 10, and 11; 82.23, subdivisions 2 and 3; 82.24, subdivisions 1, 2, 3, 4, 5, 6, and 7; 82.27, subdivisions 1 and 2; 82.30, subdivision 1; 82.31, subdivision 1; 82.33, subdivision 1; 82.34, subdivisions 3, 4, 6, 7, 13, and 14; and 609.52, by adding a subdivision; proposing coding for new

law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 82.34, subdivision 12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, lines 10 and 12, delete the new language

Page 6, line 13, delete "or closing agent"

Page 6, after line 13, insert:

*"(d) Each application for a real estate closing agent license shall give the applicant's name, age, residence address, and the name and place of business of the closing agent;"*

Page 6, line 14, strike "(d)" and insert "(e)"

Pages 6 and 7, delete section 12

Page 7, lines 25, 28, 29, and 30, delete the new language

Page 8, after line 22, insert:

"Sec. 15. Minnesota Statutes 1988, section 82.20, is amended by adding a subdivision to read:

*Subd. 15. [EXEMPTION.] The following closing agents are exempt from the requirements of sections 82.19 and 82.24 unless otherwise required in this section or chapter:*

*(1) a direct employee of a title company, or a person who has an agency agreement with a title company in which the agent agrees to perform closing services on the title company's behalf and the title company assumes responsibility for the actions of the agent as if the agent were a direct employee of the title company;*

*(2) a licensed attorney;*

*(3) a licensed real estate broker or salesperson;*

*(4) a direct employee of a licensed real estate broker if the broker maintains all funds received in connection with the closing services in the broker's trust account; and*

*(5) 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 businesses within the scope of its corporate powers as provided by law."*

Page 14, delete section 30

Page 18, lines 33 and 35, delete "\$250,000" and insert "\$150,000"

Page 18, line 36, after the comma, insert "per transaction."

Page 19, line 3, after the period, insert "For purposes of this section persons who are joint tenants or tenants in common are deemed to be a single claimant."

Page 21, delete sections 42 and 43 and insert:

"Sec. 41. Minnesota Statutes 1988, section 507.45, subdivision 2, is amended to read:

Subd. 2. No charge, except a charge required to be disclosed by Regulation ~~Z~~ X, Code of Federal Regulations, title ~~42~~ 24, section ~~226~~ 3500, 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."

Page 22, delete section 45

Page 22, line 13, delete "36 to 41 and 46" and insert "35 to 40 and 43"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

Page 1, line 7, delete "4," and delete "and" and after "12" insert ", and by adding a subdivision"

Page 1, line 10, before "6" insert "and" and delete ", and 7"

Page 1, line 13, delete everything after "and" and insert "507.45, subdivision 2;"

Page 1, delete line 14

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. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1200: A bill for an act relating to traffic regulations; defining terms; subjecting driver of commercial motor vehicle to stricter federal standard on alcohol-related driving; providing for and regulating category of commercial driver's license and commercial motor vehicle drivers; authorizing Minnesota to join driver license compact; allowing exchange of driver license information with other states; promoting consolidated, complete driver record; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 168.011, subdivision 9; 169.01, subdivision 50, and by adding a subdivision; 169.123, subdivisions 2, 4, 5, 5a, 5b, 5c, and 6; 171.01, subdivision 19, and by adding subdivisions; 171.02, subdivision 2; 171.03; 171.04; 171.06, subdivisions 2 and 3; 171.07, by adding a subdivision; 171.10, subdivision 2; 171.12, subdivision 2; 171.13, subdivision 5; 171.14; 171.16, subdivision 1; 171.18; 171.19; 171.20; 171.22, subdivision 1; 171.24; and 171.30, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 169 and 171.

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 1988, section 168.011, subdivision 9, is amended to read:

Subd. 9. [BUS; INTERCITY BUS.] (a) "Bus" means every motor vehicle designed for carrying more than ~~ten~~ 15 passengers *including the driver* and used for transporting persons; ~~and every motor vehicle, other than a taxicab, designed and used for transporting persons for compensation.~~

The term "bus" does not include a vehicle designed for carrying more than ten passengers but not more than 14 passengers and operated for the personal or family use of the owner or operator.

(b) "Intercity bus" means any bus operating as a common passenger carrier over regular routes and between fixed termini, but excluding all buses operating wholly within the limits of one city, or wholly within two or more contiguous cities, or between contiguous cities and a terminus outside the corporate limits of such cities, and not more than 20 miles distant measured along the fixed route from such corporate limits.

Sec. 2. Minnesota Statutes 1988, section 169.01, subdivision 50, is amended to read:

Subd. 50. [BUS.] "Bus" means every motor vehicle designed for carrying more than ten 15 passengers including the driver and used for the transportation of persons; and every motor vehicle other than a taxicab designed and used for the transportation of persons for compensation.

The term "bus" does not include a vehicle designed for carrying more than ten passengers but not more than 14 passengers and operated for the personal or family use of the owner or operator.

Sec. 3. Minnesota Statutes 1988, section 169.01, is amended by adding a subdivision to read:

Subd. 74. [COMMERCIAL MOTOR VEHICLE.] "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

- (1) has a gross vehicle weight of 26,001 or more pounds;
- (2) has a towed unit with a gross vehicle weight of more than 10,000 pounds;
- (3) is designed to carry more than 15 passengers, including the driver; or
- (4) is of any size and is used in the transportation of hazardous materials defined in section 221.033.

Sec. 4. [169.1211] [ALCOHOL-RELATED DRIVING BY COMMERCIAL VEHICLE DRIVERS.]

Subdivision 1. [CRIME.] It is a misdemeanor for any person to drive, operate, or be in physical control of any commercial motor vehicle within this state or upon the ice of any boundary water of this state:

- (1) when the person's alcohol concentration is 0.04 or more; or
- (2) when the person's alcohol concentration as measured within two hours of the time of driving is 0.04 or more.

Subd. 2. [ARREST.] A peace officer may lawfully arrest a person for violation of subdivision 1 without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence.

When a peace officer has probable cause to believe that a person is driving or operating a commercial motor vehicle in violation of subdivision 1, and before a stop or arrest can be made the person escapes from the geographical limits of the officer's jurisdiction, the officer in fresh pursuit of the person may stop or arrest the person in another jurisdiction within this state and may exercise the powers and perform the duties of a peace

*officer under this section and sections 169.121 and 169.123. An officer acting in fresh pursuit pursuant to this subdivision is serving in the regular line of duty as fully as though within the officer's jurisdiction.*

*The express grant of arrest powers in this subdivision does not limit the arrest powers of peace officers pursuant to sections 626.65 to 626.70 or section 629.40 in cases of arrests for violation of subdivision 1 or any other provision of law.*

*Subd. 3. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of a commercial motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.*

*If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, clause (2), that the defendant consumed a sufficient quantity of alcohol after the time of actual driving, operating, or physical control of a commercial motor vehicle and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.04. Provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.*

*The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 169.123, subdivision 2b, paragraph (b).*

*Subd. 4. [CRIMINAL PENALTY.] A person who violates this section or an ordinance in conformity with it is guilty of a misdemeanor.*

*Subd. 5. [ADMINISTRATIVE PENALTY.] The commissioner of public safety shall disqualify a person from operating a commercial motor vehicle under section 28, on receipt of a record of conviction for a violation of this section or an ordinance in conformity with it.*

**Sec. 5. [169.1215] [OUT-OF-SERVICE ORDERS.]**

*A person driving, operating, or in physical control of a commercial motor vehicle with an alcohol concentration of more than 0.00 is prohibited from operating a commercial motor vehicle for 24 hours.*

**Sec. 6. Minnesota Statutes 1988, section 169.123, subdivision 1, is amended to read:**

**Subdivision 1. [PEACE OFFICER DEFINED.]** For purposes of this section ~~and~~, section 169.121, ~~and~~ section 4, the term peace officer means a state patrol officer, university of Minnesota peace officer, a constable as defined in section 367.40, subdivision 3, or police officer of any municipality, including towns having powers under section 368.01, or county.

**Sec. 7. Minnesota Statutes 1988, section 169.123, subdivision 2, is amended to read:**

**Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.]** (a) Any person who drives, operates, or is in physical



control of a motor vehicle within this state or upon the ice of any boundary water of this state consents, subject to the provisions of this section and section 169.121, to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity with it; ~~or~~

(2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death; ~~or~~

(3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or

(4) the screening test was administered and recorded an alcohol concentration of 0.10 or more.

*The test may also be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a commercial motor vehicle with an alcohol concentration of more than 0.00.*

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine if the person is under the influence of alcohol or a controlled substance *or, if the motor vehicle was a commercial motor vehicle, to take a test to determine if the person has an alcohol concentration of more than 0.00;*

(2) that if testing is refused, the person's right to drive will be revoked for a minimum period of one year or, if the person is under the age of 18 years, for a period of one year or until the person reaches the age of 18 years, whichever is greater *and, if the vehicle was a commercial motor vehicle, the person will be disqualified from operating a commercial motor vehicle for a minimum period of one year;*

(3) that if a test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and the person's right to drive may be revoked for a minimum period of 90 days or, if the person is under the age of 18 years, for a period of six months or until the person reaches the age of 18 years, whichever is greater *and, if the vehicle was a commercial motor vehicle, and the results indicate an alcohol concentration of more than 0.00 and less than 0.04, the person will be prohibited from operating a commercial motor vehicle for 24 hours, or if the results indicate an alcohol concentration of 0.04 or more, the person will be subject to criminal penalties and will be disqualified from operating a commercial motor vehicle for a minimum period of one year;*

(4) that after submitting to testing, the person has the right to consult with an attorney and to have additional tests made by someone of the person's own choosing; and

(5) that if the person refuses to take a test, the refusal will be offered into evidence against the person at trial.

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. Action may be taken against a person who refuses to take a blood test only if an alternative test was offered and action may be taken against a person who refuses to take a urine test only if an alternative test was offered.

Sec. 8. Minnesota Statutes 1988, section 169.123, subdivision 4, is amended to read:

Subd. 4. [REFUSAL; REVOCATION OF LICENSE.] If a person refuses to permit a test, none shall be given, but the peace officer shall report the refusal to the commissioner of public safety and the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. A refusal to submit to an alcohol concentration test does not constitute a violation of section 609.50, unless the refusal was accompanied by force or violence or the threat of force or violence. If a person submits to a test and the test results indicate an alcohol concentration of 0.10 or more, *or if a person was driving, operating, or in physical control of a commercial motor vehicle and the test results indicate an alcohol concentration of 0.04 or more*, the results of the test shall be reported to the commissioner of public safety and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred.

Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person refused to submit to a test, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year. *Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with an alcohol concentration of more than 0.00 and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle for a period of one year and shall revoke the person's license or permit to drive or nonresident operating privilege for a period of one year.* If the person refusing to submit to testing is under the age of 18 years, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year or until the person reaches the age of 18 years, whichever is greater. Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person submitted to a test and the test results indicate an alcohol concentration of 0.10 or more, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of 90 days or, if the person is under the age of 18 years, for a period of six months or until the person reaches the age of 18 years, whichever is greater. *On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with an alcohol concentration of more than 0.00 and that the test results indicated an alcohol concentration of 0.04 or more, the commissioner of public safety shall disqualify the person from operating a commercial motor vehicle under section 28.*

If the person is a resident without a license or permit to operate a motor

vehicle in this state, the commissioner of public safety shall deny to the person the issuance of a license or permit for the same period after the date of the alleged violation as provided herein for revocation, subject to review as hereinafter provided.

Sec. 9. Minnesota Statutes 1988, section 169.123, subdivision 5, is amended to read:

Subd. 5. [NOTICE OF REVOCATION, *DISQUALIFICATION*, OR DETERMINATION TO DENY; REQUEST FOR HEARING.] A revocation under subdivision 4 *or a disqualification under section 28*, becomes effective at the time the commissioner of public safety or a peace officer acting on behalf of the commissioner of public safety notifies the person of the intention to revoke, *disqualify, or both*, and of revocation *or disqualification*. The notice shall advise the person of the right to obtain administrative and judicial review as provided in this section. If mailed, the notice and order of revocation *or disqualification* is deemed received three days after mailing to the last known address of the person.

Sec. 10. Minnesota Statutes 1988, section 169.123, subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION OR *DISQUALIFICATION*.] On behalf of the commissioner of public safety a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.10 or more. *On behalf of the commissioner of public safety, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more.* The officer shall take the license or permit of the driver, if any, and issue a temporary license effective only for seven days. The peace officer shall send the person's driver's license to the commissioner of public safety along with the certificate required by subdivision 4.

Sec. 11. Minnesota Statutes 1988, 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 *or a period of disqualification imposed under section 28*, a person may request in writing a review of the order of revocation *or disqualification* 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 14.69.

The availability of administrative review for an order of revocation 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. 12. Minnesota Statutes 1988, section 169.123, subdivision 5c, is amended to read:

Subd. 5c. [PETITION FOR JUDICIAL REVIEW.] Within 30 days following receipt of a notice and order of revocation *or disqualification* pursuant to this section, a person may petition the court for review. The petition shall be filed with the *district court administrator of county or municipal court* in the county where the alleged offense occurred, together with proof of service of a copy on the commissioner of public safety, and accompanied by the standard filing fee for civil actions. No responsive pleading shall be required of the commissioner of public safety, and no court fees shall be charged for the appearance of the commissioner of public safety in the matter.

The petition shall be captioned in the *full* name of the person making the petition as petitioner and the commissioner of public safety as respondent. The petition must include the petitioner's date of birth, driver's license number, date of the offense, and a copy of the notice of revocation *or disqualification*. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of revocation, *disqualification*, or denial *and state the facts underlying each claim asserted*.

The filing of the petition shall not stay the revocation, *disqualification*, or denial. The reviewing court may order a stay of the balance of the revocation *or disqualification* if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. Judicial reviews shall be conducted according to the rules of civil procedure.

Sec. 13. Minnesota Statutes 1988, section 169.123, subdivision 6, is amended to read:

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in any county in the judicial district where the alleged offense occurred. The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pretrial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety shall appear and be represented by the attorney general or through the prosecuting authority for the jurisdiction involved.

The hearing shall be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with the provisions of this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the county courts within the judicial district.

The scope of the hearing shall be limited to the issues of:

(1) whether the peace officer had probable cause to believe the person was driving, operating, or in physical control of (i) a motor vehicle while under the influence of alcohol or a controlled substance, *or (ii) a commercial motor vehicle with an alcohol concentration of more than 0.00*, and whether the person was lawfully placed under arrest for violation of section 169.121 *or section 4*, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death,

or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of 0.10 or more; and

(2) whether at the time of the request for the test the peace officer informed the person of the person's rights and the consequences of taking or refusing the test as required by subdivision 2; and

(3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of 0.10 or more at the time of testing, *or if a test was taken by a person driving, operating, or in physical control of a commercial motor vehicle and the test results indicated an alcohol concentration of 0.04 or more at the time of testing;* ~~and~~ whether the testing method used was valid and reliable; and whether the test results were accurately evaluated.

It shall be an affirmative defense for the petitioner to prove that, at the time of the refusal, the petitioner's refusal to permit the test was based upon reasonable grounds.

Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses and certificates shall be admissible as substantive evidence.

The court shall order ~~either~~ that the revocation *or disqualification* be *either* rescinded or sustained and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing. If the revocation *or disqualification* is sustained, the court shall also forward the person's driver's license or permit to the commissioner of public safety for further action by the commissioner of public safety if the license or permit is not already in the commissioner's possession.

Sec. 14. Minnesota Statutes 1988, section 171.01, subdivision 19, is amended to read:

Subd. 19. [BUS.] "Bus" means every motor vehicle designed for carrying more than ~~ten~~ 15 passengers, *including the driver*, and used for the transportation of persons; ~~and every motor vehicle other than a taxicab designed and used for the transportation of persons for compensation.~~

~~The term does not include a vehicle designed for carrying more than ten passengers but not more than 14 passengers and operated for the personal or family use of the owner or operator.~~

Sec. 15. Minnesota Statutes 1988, section 171.01, is amended by adding a subdivision to read:

Subd. 22. [COMMERCIAL MOTOR VEHICLE.] "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

- (1) has a gross vehicle weight of 26,001 or more pounds;
- (2) has a towed unit with a gross vehicle weight of more than 10,000 pounds;
- (3) is designed to carry more than 15 passengers, including the driver; or
- (4) is of any size and is used in the transportation of hazardous materials defined in section 221.033.

Sec. 16. Minnesota Statutes 1988, section 171.01, is amended by adding a subdivision to read:

*Subd. 23. [PASSENGER ENDORSEMENT.] "Passenger endorsement" means the driver's license endorsement required of a person who operates a vehicle designed to transport more than 15 passengers, including the driver.*

Sec. 17. Minnesota Statutes 1988, section 171.02, subdivision 2, is amended to read:

~~Subd. 2. [VOLUNTEER FIREFIGHTERS; TRUCKS AND EMERGENCY EQUIPMENT; MIDMOUNT AERIAL LADDER TRUCK; DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.]~~ Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle ~~or~~, school bus, ~~tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or vehicle designed to carry more than 15 passengers including the driver,~~ unless so endorsed. There shall be ~~three~~ four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks as defined in section 168.011, subdivision 17, operated by (i) the owner ~~or~~, (ii) an immediate family member ~~or of the owner,~~ (iii) an employee of the owner not primarily employed ~~for the purpose of operating to operate~~ the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed ~~for the purpose of operating the farm truck~~ during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the ~~place of production site or on farm storage site to any other location within 50 miles of the place of the production or on farm storage that site;~~

(2) fire trucks and emergency fire equipment, ~~regardless of the number of axles, and~~ whether or not in excess of 26,000 pounds GVW, ~~driven or~~ operated by volunteer firefighters while on duty, ~~and or a tiller operator in the rear position of a midmount aerial ladder truck;~~

(3) recreational equipment defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit two-axle vehicles ~~not in excess of 26,000 pounds GVW,~~ including vehicles with a temporary auxiliary axle as defined in section 169.67, subdivision 4, ~~but not including vehicles with a gross vehicle weight of 26,001 or more pounds, vehicles designed to carry more than 15 passengers including the driver, nor vehicles that carry hazardous materials.~~

The holder of a class C license may also tow trailers vehicles under 10,000 pounds GVW including house trailers. ~~Buses as defined under this chapter may not be driven by a holder of a class C license. A person employed as a tiller operator by a fire department may drive the rear portion of a midmount aerial ladder truck with a class C license.~~

(b) Class CC; valid for operating class C vehicles and, with a hazardous materials endorsement, for transporting hazardous materials in class C vehicles.

(c) Class B; valid for all vehicles in class C, *class CC*, and all other single unit vehicles including, *with a passenger endorsement*, buses.

~~(e)~~ (d) Class A; valid for any vehicle or combination thereof.

Sec. 18. Minnesota Statutes 1988, section 171.03, is amended to read:  
171.03 [PERSONS EXEMPT.]

The following persons are exempt from license hereunder:

(1) Any person in the employ or service of the United States federal government while driving or operating a motor vehicle owned by or leased to the United States federal government;

(2) Any person while driving or operating any farm tractor, or implement of husbandry temporarily operated or moved on a highway;

(3) A nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver;

(4) *A nonresident who has in immediate possession a valid commercial driver's license issued by a state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state;*

(5) Any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, only for a period of not more than 90 days in any calendar year if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of such nonresident;

~~(5)~~ (6) Any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or province or by military authorities of the United States may operate a motor vehicle as a driver, only for a period of not more than 60 days after becoming a resident of this state without being required to have a Minnesota driver's license as provided in this chapter;

(7) *Any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States code, title 49, sections 521, 2304, and 2701 to 2716, by another state, only for a period of not more than 30 days after becoming a resident of this state; and*

~~(6)~~ (8) Any person operating a snowmobile, as defined in section 84.81.

Sec. 19. Minnesota Statutes 1988, section 171.04, is amended to read:  
171.04 [PERSONS NOT ELIGIBLE FOR DRIVER'S LICENSES.]

*Subdivision 1.* [PERSONS NOT ELIGIBLE.] The department shall not issue a driver's license hereunder:

(1) To any person who is under the age of 16 years; to any person under 18 years unless such person shall have successfully completed a course in driver education, including both classroom and behind-the-wheel instruction, approved by the state board of education for courses offered through

the public schools, or, in the case of a course offered by a private, commercial driver education school or institute, by the department of public safety; except when such person has completed a course of driver education in another state or has a previously issued valid license from another state or country; nor to any person under 18 years unless the application of license is approved by either parent when both reside in the same household as the minor applicant, otherwise the parent or spouse of the parent having custody or with whom the minor is living in the event there is no court order for custody, or guardian having the custody of such minor, or in the event a person under the age of 18 has no living father, mother or guardian, the license shall not be issued to such person unless the application therefor is approved by the person's employer. Driver education courses offered in any public school shall be open for enrollment to persons between the ages of 15 and 18 years residing in the school district or attending school therein. Any public school offering driver education courses may charge an enrollment fee for the driver education course which shall not exceed the actual cost thereof to the public school and the school district. The approval required herein shall contain a verification of the age of the applicant;

(2) To any person whose license has been suspended during the period of suspension except that a suspended license may be reinstated during the period of suspension upon the licensee furnishing proof of financial responsibility in the same manner as provided in the Minnesota no-fault automobile insurance act;

(3) To any person whose license has been revoked except upon furnishing proof of financial responsibility in the same manner as provided in the Minnesota no-fault automobile insurance act and if otherwise qualified;

(4) To any person who is a drug dependent person as defined in section 254A.02, subdivision 5;

(5) To any person who has been adjudged legally incompetent by reason of mental illness, mental deficiency, or inebriation, and has not been restored to capacity, unless the department is satisfied that such person is competent to operate a motor vehicle with safety to persons or property;

(6) To any person who is required by this chapter to take an examination, unless such person shall have successfully passed such examination;

(7) To any person who is required under the provisions of the Minnesota no-fault automobile insurance act of this state to deposit proof of financial responsibility and who has not deposited such proof;

(8) To any person when the commissioner has good cause to believe that the operation of a motor vehicle on the highways by such person would be inimical to public safety or welfare;

(9) To any person when, in the opinion of the commissioner, such person is afflicted with or suffering from such physical or mental disability or disease as will affect such person in a manner to prevent the person from exercising reasonable and ordinary control over a motor vehicle while operating the same upon the highways; nor to a person who is unable to read and understand official signs regulating, warning, and directing traffic; and

(10) To any person whose license has been canceled, during the period of cancellation.



*Subd. 2. [DISQUALIFIED OPERATORS OF COMMERCIAL VEHICLES.] During the period of disqualification, the department shall not issue a class CC, class B, or class A driver's license to the person who has been disqualified from operating a commercial motor vehicle.*

Sec. 20. Minnesota Statutes 1988, section 171.06, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver License	C-\$15 B- <del>\$22.50</del> CC-\$19
	A-\$30
	B-\$26 A-\$34

Classified Provisional D.L. C-\$9 B-\$15 A-\$10

Instruction Permit \$6

Duplicate Driver or Provisional License \$4.50

Minnesota identification card, except  
as otherwise provided in section 171.07,  
subdivisions 3 and 3a \$9

Sec. 21. Minnesota Statutes 1988, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION.] Every application shall state the full name, date of birth, *social security number*, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and shall state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and the applicant's ability to operate a motor vehicle with safety as may be required by the commissioner. The application form shall contain a notification to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and shall contain spaces where the applicant must indicate a desire to receive or not to receive the donor document. The application shall be in the form prepared by the commissioner.

The application form must be accompanied by a pamphlet containing relevant facts relating to:

- (1) the effect of alcohol on driving ability;
- (2) the effect of mixing alcohol with drugs;
- (3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and
- (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

Sec. 22. Minnesota Statutes 1988, section 171.07, is amended by adding a subdivision to read:

*Subd. 1b. [COMMERCIAL DRIVER'S LICENSE.] Each class CC, class B, or class A driver's license must be clearly marked "Minnesota Commercial Driver's License."*

Sec. 23. Minnesota Statutes 1988, section 171.10, subdivision 2, is

amended to read:

Subd. 2. Any person, after applying for or receiving a driver's license and prior to the expiration year of the license, who wishes to have a motorcycle ~~or~~, school bus, *tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials* vehicle endorsement added to the license, shall, after taking the necessary examination, apply for a duplicate license and make payment of the proper fee.

Sec. 24. Minnesota Statutes 1988, section 171.12, subdivision 2, is amended to read:

Subd. 2. [ACCIDENT REPORTS AND ABSTRACTS OF COURT RECORDS OF CONVICTION FILED.] The department shall file all accident reports and abstracts of court records of convictions received by it under the laws of this state and its political subdivisions, and in connection therewith maintain convenient records or make suitable notations in order that an individual record of each licensee showing the convictions of such licensee and the traffic accidents in which the licensee has been involved shall be readily ascertainable and available for the consideration of the department upon any application for renewal of license and the revocation, suspension, or limitation of licenses. ~~No record shall be maintained of a conviction of any Minnesota resident for an offense committed while operating a vehicle as a chauffeur in any other state or Canadian province unless such state or province is one with which Minnesota engages in reciprocal reporting of convictions.~~

Sec. 25. Minnesota Statutes 1988, section 171.13, subdivision 5, is amended to read:

Subd. 5. [FEE FOR VEHICLE ENDORSEMENT.] Any person applying to secure a motorcycle ~~or~~, school bus, *tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials* vehicle endorsement on the person's driver's license shall pay a \$2.50 examination fee at the place of application.

Sec. 26. Minnesota Statutes 1988, section 171.14, is amended to read:

171.14 [CANCELLATION.]

The commissioner shall have authority to cancel any driver's license upon determination that the licensee was not entitled to the issuance thereof hereunder, or that the licensee failed to give the required or correct information in the application, or committed any fraud or deceit in making such application. The commissioner may also cancel the driver's license of any person who, at the time of the cancellation, would not have been entitled to receive a license under the provisions of section 171.04. ~~Upon cancellation the licensee shall immediately surrender the license so canceled to the department.~~

Sec. 27. Minnesota Statutes 1988, section 171.16, subdivision 1, is amended to read:

Subdivision 1. [COURTS TO REPORT TO COMMISSIONER.] Every court having jurisdiction over offenses committed under any law of this state or ordinance of a political subdivision regulating the operation of motor vehicles, shall forward to the department, within ten days, a record of the conviction of any person in the court for a violation of any laws or ordinances, except parking violations and defective vehicle equipment or vehicle size or weight violations; ~~committed by a licensed chauffeur while~~

~~driving a vehicle for which a chauffeur's license is required.~~

**Sec. 28. [171.165] [COMMERCIAL DRIVER'S LICENSE, DISQUALIFICATION.]**

*Subdivision 1. [FIRST VIOLATION.] The commissioner shall disqualify a person from operating commercial motor vehicles for one year upon receiving a record of conviction for the first violation of:*

*(1) driving, operating, or being in physical control of a commercial motor vehicle in violation of section 169.121 or section 4;*

*(2) leaving the scene of an accident under section 169.09, subdivision 1 or 2, involving a commercial motor vehicle operated by the person;*

*(3) committing a felony, other than a felony described in subdivision 3, clause (3), in which a commercial motor vehicle was used; or*

*(4) committing an offense in another state which if committed in this state would be grounds for disqualification.*

*Subd. 2. [IMPLIED CONSENT REVOCATION.] The commissioner shall disqualify a person from operating commercial motor vehicles for one year from the effective date of a revocation under section 169.123, or a statute or ordinance from another state in conformity with it, if the person was driving, operating, or in physical control of a commercial motor vehicle at the time of the incident on which the revocation is based.*

*Subd. 3. [GRAVE OR MULTIPLE OFFENSES.] The commissioner shall disqualify a person from operating commercial motor vehicles for:*

*(1) not less than three years, for a conviction or revocation set forth in subdivision 1 or 2 committed during the transportation of hazardous materials;*

*(2) not less than ten years, if the person is convicted more than once of an offense set forth in subdivision 1 or if the person's license is revoked more than once under section 169.123 or a statute or ordinance in conformity with it, or any combination of them; or*

*(3) life, if the person is convicted of a felony involving manufacturing, distributing, or dispensing a controlled substance or involving possession with intent to manufacture, distribute, or dispense a controlled substance, and the person is found to have used a commercial motor vehicle in the commission of the felony.*

*Subd. 4. [SERIOUS TRAFFIC VIOLATIONS.] On receiving a record of conviction, the commissioner shall disqualify a person from operating commercial motor vehicles for 60 days if the person is convicted of two serious traffic violations or 120 days if convicted of three serious traffic violations arising in separate incidents and committed in a commercial motor vehicle within a three-year period. For purposes of this subdivision, a serious traffic offense includes the following:*

*(1) excess speeding, involving a single charge of any speed 15 miles per hour or more above the posted speed limit;*

*(2) reckless or careless driving under section 169.13;*

*(3) fleeing a peace officer under section 609.487; or*

*(4) violating a moving traffic statute or ordinance of any state, that is in conformity with a Minnesota statute, arising in connection with a fatal*

*accident.*

*Subd. 5. [RULES.] The commissioner shall adopt rules to administer this section.*

*Subd. 6. [SCOPE.] This section applies only to offenses committed or revocations imposed for incidents occurring on or after January 1, 1990.*

Sec. 29. Minnesota Statutes 1988, section 171.18, is amended to read:  
171.18 [SUSPENSION.]

The commissioner shall have authority to and may suspend the license of any driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) Has committed an offense for which mandatory revocation of license is required upon conviction; or

(2) Has been convicted by a court of competent jurisdiction for violation of a provision of the highway traffic regulation act or an ordinance regulating traffic and where it appears from department records that the violation for which the licensee was convicted contributed in causing an accident resulting in the death or personal injury of another, or serious property damage; or

(3) Is an habitually reckless or negligent driver of a motor vehicle; or

(4) Is an habitual violator of the traffic laws; or

(5) Is incompetent to drive a motor vehicle as determined and adjudged in a judicial proceeding; or

(6) Has permitted an unlawful or fraudulent use of such license; or

(7) Has committed an offense in another state which, if committed in this state, would be grounds for suspension; or

(8) Has committed a violation of section 171.22- ~~clause (4)~~; or

(9) Has failed to appear in court as provided in section 169.92, subdivision 4.

Provided, however, that any action taken by the commissioner under subparagraphs (2) and (5) shall conform to the recommendation of the court when made in connection with the prosecution of the licensee.

Upon suspending the license of any person, as hereinbefore in this section authorized, the department shall immediately notify the licensee, in writing, by depositing in the United States post office a notice addressed to the licensee at the licensee's last known address, with postage prepaid thereon, and the licensee's written request shall afford the licensee an opportunity for a hearing within not to exceed 20 days after receipt of such request in the county wherein the licensee resides, unless the department and the licensee agree that such hearing may be held in some other county. Upon such hearing the commissioner, or duly authorized agent, may administer oaths and issue subpoenas for the attendance of witnesses and the production of relevant books and papers, and may require a reexamination of the licensee. Upon such hearing the department shall either rescind its order of suspension or, good cause appearing therefor, may extend the suspension of such license or revoke such license. The department shall not suspend a license for a period of more than one year.

Sec. 30. Minnesota Statutes 1988, section 171.19, is amended to read:  
171.19 [PETITION FOR REINSTATEMENT OF LICENSES.]

Any person whose driver's license has been refused, revoked, suspended, or canceled, *or who has been disqualified from holding a commercial driver's license*, by the commissioner, except where the license is revoked under section 169.123, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a nonresident, in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancellation, *disqualification*, or refusal of license, under the provisions of this chapter, and shall render judgment accordingly. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by agents or representatives, and may present evidence upon the hearing by affidavit personally, by agents, or by representatives. The petitioner may present evidence by affidavit, except that the petitioner must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

Sec. 31. Minnesota Statutes 1988, section 171.20, is amended to read:  
171.20 [LICENSES MUST BE SURRENDERED.]

Subdivision 1. [DEMAND; ENFORCEMENT.] The commissioner, upon suspending ~~or~~, revoking, *or canceling* a license, shall require that all license certificates issued to the licensee shall be surrendered to and be retained by the department, ~~except that~~. *On disqualifying a person from holding a commercial driver's license, the commissioner shall require that the person's commercial driver's license certificate be surrendered to and kept by the department.* At the end of a period of suspension, *cancellation, or disqualification* the *retained* license certificate shall be returned to the licensee. Upon demand for surrender of a license by the commissioner, the licensee shall immediately forward the license certificates to the department. If any person fails to return to the commissioner the license as provided herein, the commissioner shall ~~forthwith~~ direct any peace officer to serve the order of suspension, *cancellation, or revocation of the appropriate driver's license, or the order of disqualification of a person from holding a commercial driver's license*, and direct such person to surrender that license. *The revocation, suspension, cancellation, or disqualification takes effect immediately on notification of the licensee, but credit must not be given toward the specified withdrawal period until the license certificate is surrendered.*

Subd. 2. [OPERATION AFTER REVOCATION ~~OR~~, SUSPENSION, CANCELLATION, OR DISQUALIFICATION.] (a) A resident or nonresident whose driver's license or right or privilege to operate a motor vehicle in this state has been suspended, revoked, or canceled, shall not operate a motor vehicle in this state under license, permit, or registration certificate issued by any other jurisdiction or otherwise during the suspension, or after the revocation until Minnesota driving privileges are reinstated.

*(b) A resident or nonresident who has been disqualified from holding a commercial driver's license or been denied the privilege to operate a commercial motor vehicle in this state shall not operate a commercial motor vehicle in this state under license, permit, or registration certificate issued by any other jurisdiction or otherwise during the disqualification period until Minnesota commercial driving privileges are reinstated.*

Subd. 3. [DRIVER IMPROVEMENT CLINICS.] The commissioner may require, before reissuing a license which has been revoked or suspended, that the licensee complete a course of study at an approved driver improvement clinic. The commissioner may not require the licensee to complete such a course unless an approved driver improvement clinic is located within 35 miles of the licensee's residence. For purposes of this section "an approved driver improvement clinic" means a clinic whose curriculum and mode of instruction conform to standards promulgated by the commissioner.

Subd. 4. [REINSTATEMENT FEE.] A person whose driver's license has been suspended under section 171.18 or 171.182 or who has been disqualified from holding a commercial driver's license under section 28 must pay a \$20 fee before the license is reinstated; ~~except that~~. A suspension may be rescinded without fee for good cause.

Sec. 32. Minnesota Statutes 1988, section 171.22, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] *With regard to any driver's license, including a commercial driver's license, it shall be unlawful for any person:*

(1) to display, ~~or~~ cause or permit to be displayed, or have in possession, any:

*(i) canceled, revoked, or suspended; driver's license;*

*(ii) driver's license for which the person has been disqualified; or*

*(iii) fictitious; or fraudulently altered driver's license;*

(2) to lend the person's driver's license to any other person or knowingly permit the use thereof by another;

(3) to display or represent as one's own any driver's license not issued to that person;

(4) to fail or refuse to surrender to the department, upon its lawful demand, any driver's license which has been suspended, revoked, ~~or~~ canceled, *or for which the holder has been disqualified;*

(5) to use a fictitious name or date of birth to any police officer or in any application for a driver's license, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application;

(6) to alter any driver's license, or to counterfeit or make any fictitious license;

(7) to take any part of the driver's license examination for another or to permit another to take the examination for that person; or

(8) to use the name and date of birth of another person to any police officer for the purpose of falsely identifying oneself to the police officer.

Sec. 33. Minnesota Statutes 1988, section 171.24, is amended to read:

171.24 [VIOLATIONS; DRIVING AFTER REVOCATION, SUSPENSION, ~~OR~~ CANCELLATION, *OR DISQUALIFICATION.*]

(a) Any person whose driver's license or driving privilege has been canceled, suspended, or revoked and who has been given notice of, or reasonably should know of the revocation, suspension, or cancellation, and who disobeys such order by operating anywhere in this state any motor vehicle, the operation of which requires a driver's license, while such license or privilege is canceled, suspended, or revoked is guilty of a misdemeanor.

(b) *Any person who has been disqualified from holding a commercial driver's license or been denied the privilege to operate a commercial motor vehicle, who has been given notice of or reasonably should know of the disqualification, and who disobeys the order by operating in this state a commercial motor vehicle while the person is disqualified to hold the license or privilege, is guilty of a misdemeanor.*

Notice of revocation, suspension, ~~or~~ cancellation, *or disqualification* is sufficient if personally served, or if mailed by first class mail to the person's last known address or to the address listed on the person's driver's license. Notice is also sufficient if the person was informed that revocation, suspension, ~~or~~ cancellation, *or disqualification* would be imposed upon a condition occurring or failing to occur, and where the condition has in fact occurred or failed to occur. It is not a defense that a person failed to file a change of address with the post office, or failed to notify the department of public safety of a change of name or address as required under section 171.11.

Sec. 34. Minnesota Statutes 1988, section 171.30, subdivision 3, is amended to read:

Subd. 3. The commissioner shall issue a limited license restricted to the vehicles whose operation is permitted only under a Class A ~~or~~, Class B, *or Class CC* license whenever a Class A ~~or~~, Class B, *or Class CC* license has been suspended under section 171.18, or revoked under section 171.17, for violation of the highway traffic regulation act committed in a private passenger motor vehicle. This subdivision shall not apply to any persons described in section 171.04, clauses (4), (5), (6), (8), ~~and~~ (9), *and* (10).

Sec. 35. [171.50] [DRIVER LICENSE COMPACT.]

*The driver license compact is enacted into law and entered into with all other jurisdictions legally joining in it, in the form substantially as follows:*

**DRIVER LICENSE COMPACT**

**ARTICLE I**

*Findings and Declaration of Policy*

(a) *The party states find that:*

(1) *The safety of their streets and highways is materially affected by the degree of compliance with state and local ordinances relating to the operation of motor vehicles.*

(2) *Violation of such a law or ordinance is evidence that the violator engages in conduct which is likely to endanger the safety of persons and property.*

(3) *The continuance in force of a license to drive is predicated upon compliance with laws and ordinances relating to the operation of motor vehicles, in whichever jurisdiction the vehicle is operated.*

*(b) It is the policy of each of the party states to:*

*(1) Promote compliance with the laws, ordinances, and administrative rules and regulations relating to the operation of motor vehicles by their operators in each of the jurisdictions where such operators drive motor vehicles.*

*(2) Make the reciprocal recognition of licenses to drive and eligibility thereof more just and equitable by considering the overall compliance with motor vehicle laws, ordinances, and administrative rules and regulations as a condition precedent to the continuance or issuance of any license by reason of which the licensee is authorized or permitted to operate a motor vehicle in any of the party states.*

## ARTICLE II Definitions

*As used in this compact:*

*(a) "State" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.*

*(b) "Home state" means the state which has issued and has the power to suspend or revoke the use of the license or permit to operate a motor vehicle.*

*(c) "Conviction" means a conviction of any offense related to the use or operation of a motor vehicle which is prohibited by state law, municipal ordinance, or administrative rule or regulation, or a forfeiture of bail, bond, or other security deposited to secure appearance by a person charged with having committed any such offense, and which conviction or forfeiture is required to be reported to the licensing authority.*

## ARTICLE III Reports of Convictions

*The licensing authority of a party state shall report each conviction of a person from another party state occurring within its jurisdiction to the licensing authority of the home state of the licensee. Such report shall clearly identify the person convicted; describe the violation specifying the section of the statute, code, or ordinance violated; identify the court in which action was taken; indicate whether a plea of guilty or not guilty was entered, or the conviction was a result of the forfeiture of bail, bond, or other security; and shall include any special findings made in connection therewith.*

## ARTICLE IV Effect of Conviction

*(a) The licensing authority in the home state, for the purposes of suspension, revocation, or limitation of the license to operate a motor vehicle, shall give the same effect to the conduct reported, pursuant to article III of this compact, as it would if such conduct had occurred in the home state, in the case of convictions for:*

*(1) manslaughter or negligent homicide resulting from the operation of a motor vehicle;*

*(2) driving a motor vehicle while under the influence of intoxicating liquor or narcotic drug, or under the influence of any other drug to a degree which renders the driver incapable of safely driving a motor vehicle;*



(3) any felony in the commission of which a motor vehicle is used;

(4) failure to stop and render aid in the event of a motor vehicle accident resulting in the death or personal injury of another.

(b) As to other convictions, reported pursuant to article III, the licensing authority in the home state shall give such effect to the conduct as provided by the laws of the home state.

(c) If the laws of a party state do not provide for offenses or violations denominated or described in precisely the words employed in subdivision (a) of this article, such party state shall construe the denominations and descriptions appearing in the subdivision (a) hereof as being applicable to and identifying those offenses or violations of a substantially similar nature and the laws of such party state shall contain such provisions as may be necessary to ensure that full force and effect is given to this article.

#### ARTICLE V

##### Applications for New Licenses

Upon application for a license to drive, the licensing authority in a party state shall ascertain whether the applicant has ever held, or is the holder of a license to drive issued by any other party state. The licensing authority in the state where application is made shall not issue a license to drive to the applicant if:

(1) The applicant has held such a license, but the same has been suspended by reason, in whole or in part, of a violation and if such suspension period has not terminated.

(2) The applicant has held such a license, but the same has been revoked by reason, in whole or in part, of a violation and if such revocation has not terminated, except that after the expiration of one year from the date the license was revoked, such person may make application for a new license if permitted by law. The licensing authority may refuse to issue a license to any such applicant if, after investigation, the licensing authority determines that it will not be safe to grant to such person the privilege of driving a motor vehicle on the public highways.

(3) The applicant is the holder of a license to drive issued by another party state and currently in force unless the applicant surrenders such license.

#### ARTICLE VI

##### Applicability of Other Laws

Except as expressly required by provisions of this compact, nothing contained herein shall be construed to affect the right of any party state to apply any of its other laws relating to licenses to drive to any person or circumstance, nor to invalidate or prevent any driver license agreement or other cooperative arrangement between a party state and a nonparty state.

#### ARTICLE VII

##### Compact Administrator and Interchange of Information

(a) The head of the licensing authority of each party state shall be the administrator of this compact for his state. The administrators, acting jointly, shall have the power to formulate all necessary and proper procedures for the exchange of information under this compact.

*(b) The administrator of each party state shall furnish to the administrator of each other party state any information or documents reasonably necessary to facilitate the administration of this compact.*

#### ARTICLE VIII

##### *Entry Into Force and Withdrawal*

*(a) This compact shall enter into force and become effective as to any state when it has enacted the same into law.*

*(b) Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until six months after the executive head of the withdrawing state has given notice of the withdrawal to the executive heads of all other party states. No withdrawal shall affect the validity or applicability by the licensing authorities of states remaining party to the compact of any report of conviction occurring prior to the withdrawal.*

#### ARTICLE IX

##### *Construction and Severability*

*This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state party thereto, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.*

#### Sec. 36. [171.51] [DEFINITIONS.]

*Subdivision 1. [EXECUTIVE HEAD.] For purposes of sections 35 to 40, with reference to this state, the term "executive head" means the governor of Minnesota.*

*Subd. 2. [LICENSING AUTHORITY.] For purposes of sections 35 to 40, the term "licensing authority" with reference to this state, means the driver's license division of the Minnesota department of public safety.*

#### Sec. 37. [171.52] [TRANSFER OF INFORMATION.]

*The licensing authority shall furnish to the appropriate authorities of any other party state information or documents reasonably necessary to facilitate the administration of section 35, articles III, IV, and V.*

#### Sec. 38. [171.53] [COMPACT ADMINISTRATOR.]

*The compact administrator provided for in section 35, article VII, is not entitled to additional compensation on account of service as administrator, but is entitled to expenses incurred in connection with the duties and responsibilities as administrator, in the same manner as for expenses incurred in connection with other duties or responsibilities of employment. The compact administrator shall represent this state or shall appoint a representative for this state in the driver license compact commission, and that commission has the authority to formulate procedures for exchanging information, as provided in section 35, article VII.*

**Sec. 39. [171.54] [REPORTING TO LICENSING AUTHORITY.]**

*A court or other agency or political subdivision of this state, that has jurisdiction to take action regarding the suspension, revocation, cancellation, or other limitation of a license to drive, shall promptly report the action and the circumstances upon which it is based to the licensing authority on forms furnished by the department.*

**Sec. 40. [171.55] [OUT-OF-STATE CONVICTIONS GIVEN EFFECT.]**

*The commissioner shall give the same effect for driver licensing purposes to conduct reported from a licensing authority or court in another state that the commissioner would give to conduct reported from a court or other agency of this state, whether or not the other state is a party to the driver license compact in section 35. The conduct to be given effect by the commissioner includes a report of conviction for an offense enumerated in section 35, article IV, or an offense described in sections 171.17 and 171.18.*

**Sec. 41. [171.56] [FILING OF BYLAWS AND AMENDMENTS.]**

*The driver license compact commission shall file a copy of its bylaws and amendments to the bylaws with the Minnesota secretary of state.*

**Sec. 42. [TRANSITION; TEMPORARY COMMERCIAL LICENSES.]**

*Temporary commercial driver's licenses shall be issued to an individual driver who possesses a good driving record as determined by the commissioner of public safety, but fails to pass the written commercial license examination before the expiration date of that driver's license, until the driver passes the written examination or March 31, 1992, whichever is earlier.*

**Sec. 43. [APPROPRIATION.]**

*\$ . . . . . is appropriated to the commissioner of public safety from the trunk highway fund for record keeping, implementation, and administration of sections 1 to 42, and is available until June 30, 1991.*

**Sec. 44. [EFFECTIVE DATE.]**

*Sections 1 to 16, 18 to 27, and 29 to 43 are effective January 1, 1990.*

*Section 17 is effective January 1, 1990, and is effective for an individual driver on the expiration date of that driver's license between January 1, 1990, and January 1, 1994. Section 17 is effective for all drivers after January 1, 1994.*

*Section 28, subdivisions 1, 2, 3, 4, and 6, are effective January 1, 1990, and apply to offenses committed or revocations imposed for incidents occurring on or after that date. Section 28, subdivision 5, is effective the day following final enactment."*

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 548: A bill for an act relating to economic development; permitting state agencies and local jurisdictions to invest in a working capital fund; amending Minnesota Statutes 1988, section 137.31, by adding a

subdivision; proposing coding for new law in Minnesota Statutes, chapters 16B, 161, 471, and 473.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [161.3212] [WORKING CAPITAL FUND.]

*The commissioner, to the extent allowed by other law or contract, may grant available money that has been appropriated for socially or economically disadvantaged business programs to a guaranty fund administered by a nonprofit organization that makes or guarantees working capital loans to businesses owned and operated by socially or economically disadvantaged persons as defined in Code of Federal Regulations, title 49, section 23.5. The purpose of loans made or guaranteed by the organization must be to provide short-term working capital to enable eligible businesses to be awarded contracts for goods and services or for construction related services from government agencies.*

Sec. 2. [473.1425] [WORKING CAPITAL FUND.]

*The metropolitan council or a metropolitan agency defined in section 473.121, subdivision 5a, to the extent allowed by other law or contract, may grant available money that has been appropriated for socially or economically disadvantaged business programs to a guaranty fund administered by a nonprofit organization that makes or guarantees working capital loans to businesses owned and operated by socially or economically disadvantaged persons as defined in Code of Federal Regulations, title 49, section 23.5. The purpose of loans made or guaranteed by the organization must be to provide short-term working capital to enable eligible businesses to be awarded contracts for goods and services or for construction related services from government agencies.*

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment.”*

Delete the title and insert:

“A bill for an act relating to economic development; permitting the department of transportation and metropolitan agencies to grant available money to a working capital fund; proposing coding for new law in Minnesota Statutes, chapters 161 and 473.”

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. 431: A bill for an act relating to public safety; regulating the operation and operators of elevators; imposing penalties; amending Minnesota Statutes 1988, sections 16B.70, subdivision 1; 183.351, by adding subdivisions; and 183.355; 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 1, line 19, strike "(a)" and insert "(1)"

Page 1, line 22, strike "(b)" and insert "(2)"

Page 1, line 25, strike "(c)" and insert "(3)"

Page 2, line 1, strike "(d)" and insert "(4)"

Page 2, line 3, strike "(e)" and insert "(5)"

Page 2, line 6, strike "(f)" and insert "(6)"

Page 2, line 8, strike "which" and insert "that"

Page 2, line 14, strike "their" and insert "its"

Page 3, line 10, delete "or" and insert a comma

Page 3, line 12, before the period, insert ", or elevators in owner-occupied buildings of no more than four living units"

Page 3, line 24, strike "any such" and insert "an"

Page 3, lines 26, 28, and 30, strike "such" and insert "the"

Page 3, line 27, strike the first "such" and insert "an" and strike the second "such" and insert "a"

Page 3, line 34, delete "shall" and insert "may"

Page 4, lines 2 and 7, delete "shall" and insert "may"

Page 4, lines 13 and 35, delete "shall" and insert "must"

Page 5, lines 3, 6, 16, and 19, delete "pursuant to" and insert "under"

Page 5, line 20, delete "prior to" and insert "before"

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. 1527: A bill for an act relating to economic development; clarifying the powers and duties of the Greater Minnesota Corporation; expanding auditing and reporting requirements; amending Minnesota Statutes 1988, sections 116O.02, by adding a subdivision; 116O.03, subdivision 1, and by adding a subdivision; 116O.04, by adding a subdivision; 116O.05; 116O.06, subdivisions 1 and 5; 116O.08, subdivision 2; 116O.12; 116O.14; and 116O.15.

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 1988, section 116O.03, is amended by adding a subdivision to read:

*Subd. 11. [STATEMENTS OF ECONOMIC INTEREST.] Directors, officers, and employees of the corporation are public officials for the purpose of section 10A.09, and shall file statements of economic interest with the state ethical practices board.*

Sec. 2. Minnesota Statutes 1988, section 116O.04, is amended by adding

a subdivision to read:

*Subd. 4. [PERSONNEL POLICIES.] (a) The corporation shall adopt an affirmative action plan. The corporation is subject to the audit and reporting requirements under section 43A.191, subdivision 3.*

*(b) Employees of the corporation are subject to the prohibition of political activities under section 43A.32, subdivision 1.*

*(c) Employees of the corporation are subject to the code of ethics requirements under section 43A.38.*

Sec. 3. Minnesota Statutes 1988, section 116O.05, is amended to read:  
116O.05 [POWERS OF THE CORPORATION.]

*Subdivision 1. [LIMITATIONS.] The corporation is authorized to exercise only the powers specifically authorized in this chapter. The corporation shall not duplicate existing services or activities provided by other public and private organizations.*

*Subd. 2. [GENERAL CORPORATE POWERS.] (a) Except as otherwise provided in this article, The corporation has the powers granted to a business corporation by section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13, except that the corporation may not act as a general partner in any partnership; 14; 15; 16; 17; 18; and 22.*

*(b) The state is not liable for the obligations of the corporation.*

*(c) Section 302A.041 applies to this article and the corporation in the same manner that it applies to business corporations established under chapter 302A. The state reserves the right to amend or repeal the provisions of this chapter. The greater Minnesota corporation is subject to this reserved right.*

*Subd. 3. [DUTIES.] The corporation shall:*

*(1) provide technology transfer and applied research and development assistance to businesses and organizations in the state that are primarily small and medium-sized businesses, including individuals, sole proprietorships, partnerships, corporations, other business entities, and non-profit organizations, in greater Minnesota; and*

*(2) provide or provide for research services, including on-site research and testing of production techniques and product quality.*

Sec. 4. Minnesota Statutes 1988, section 116O.06, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL ASSISTANCE; TYPES.] The corporation may provide financial assistance to *individuals, sole proprietorships, businesses partnerships, corporations, other business entities, or for-profit or nonprofit organizations* that have (1) received research assistance from a corporation research facility or as a result of a research grant under section 116O.09, subdivision 4, or 116O.011; or (2) received favorable review through a peer review process established under guidelines developed under section 116O.10, subdivision 2. Financial assistance includes, ~~but is not limited to,~~ loan guarantees or insurance, direct loans, and interest subsidy payments. The corporation may participate in loans by purchasing from a lender up to 50 percent of each loan.

Sec. 5. Minnesota Statutes 1988, section 116O.06, subdivision 5, is

amended to read:

Subd. 5. [PREFERENCE.] In providing financial assistance, the corporation must give preference to *individuals, sole proprietorships, businesses partnerships, corporations, other business entities*, or organizations that are starting or expanding their operations in greater Minnesota.

Sec. 6. Minnesota Statutes 1988, section 116O.08, is amended by adding a subdivision to read:

*Subd. 8. [MARKETING AND MANAGEMENT ASSISTANCE.] Marketing and business management assistance may be provided by the institute only if those services are not readily available from other technical assistance providers in the area.*

Sec. 7. Minnesota Statutes 1988, 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;
- (5) gifts, donations, and bequests made to the corporation; and
- (6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half of the net proceeds of the state-operated lottery must be credited to the greater Minnesota corporation fund. Thereafter, up to one-half, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the greater Minnesota corporation fund.

Sec. 8. Minnesota Statutes 1988, section 116O.14, is amended to read:  
116O.14 [AUDITS.]

The corporation board shall contract with a certified public accounting firm to do a financial and compliance audit of the corporation and any subsidiary annually in accordance with generally accepted accounting standards. *The corporation must submit a copy of the audit to the chairs of the senate finance and economic development and housing committees, and the house of representatives appropriations and economic development committees.*

~~The books and records of the corporation and any subsidiary, fund, or entity to be administered or governed by the corporation are subject to audit without previous notice by the legislative auditor. The corporation is subject to the auditing requirements under sections 3.971 and 3.972.~~

Sec. 9. Minnesota Statutes 1988, section 116O.15, is amended to read:  
116O.15 [~~REPORTS~~ ANNUAL REPORT.]

The board shall *submit a report to the appropriate chairs of the senate economic development and housing and the house of representatives economic development committees of the legislature and the governor on the activities of the corporation by January February 1 of each year. The report must include, at least, a description of projects supported by the corporation, an account of all grants made by the corporation during the calendar year, the source and amount of all money collected and distributed by the corporation, the corporation's assets and liabilities, an explanation of administrative expenses, and any amendments to the operational plan. the following:*

*(1) a description of each of the programs that the corporation has provided or undertaken during the previous year. The description of each program must describe (i) the statement of purpose for the program, (ii) the administration of the program including the activities the corporation was responsible for and the responsibilities that other organizations had in administering the program, (iii) the results of the program including how the results were measured, (iv) the expenses of the program paid by the corporation, and (v) the source of corporate and noncorporate funding for the program;*

*(2) an identification of the sources of funding in the previous year for the corporation including federal, state and local government, foundations, gifts, donations, fees, and all other sources;*

*(3) a description of the distribution of all money spent by the corporation in the previous year including an identification of the total expenditures, other than corporate administrative expenditures;*

*(4) a description of the administrative expenses of the corporation during the previous year;*

*(5) the assets and liabilities of the corporation at the end of the previous fiscal year;*

*(6) a description of each grant awarded by the corporation during the previous year;*

*(7) a description of changes made to the operational plan during the previous year; and*

*(8) a description of any newly adopted or significant changes to bylaws, programmatic or administrative guidelines, policies, rules, or eligibility criteria for programs created or administered by the corporation during the previous year.*

Reports must be made to the legislature as required by section 3.195."

Delete the title and insert:

"A bill for an act relating to economic development; clarifying the powers and duties of the Greater Minnesota Corporation; expanding auditing and reporting requirements; amending Minnesota Statutes 1988, sections 116O.03, by adding a subdivision; 116O.04, by adding a subdivision; 116O.05; 116O.06, subdivisions 1 and 5; 116O.08, by adding a subdivision; 116O.12; 116O.14; and 116O.15."



And when so amended the bill do pass and be re-referred to the Committee on Agriculture and Rural Development. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 320: A bill for an act relating to crimes; criminal sexual conduct; providing intensive sex offender treatment programs within the correctional system; providing for specialized probation and corrections agents to supervise released sex offenders; requiring the collection of data on the treatment and recidivism rates of convicted sex offenders; extending the jurisdiction of the juvenile court over sex offenders until their 21st birthday; providing a centralized reporting system for juvenile felony offenders; requiring the bureau of criminal apprehension to develop uniform procedures for the collection and analysis of DNA typing evidence; providing for the admissibility of such evidence; increasing penalties for criminal sexual conduct offenses; permitting courts to sentence dangerous or patterned sex offenders to longer periods of incarceration and supervision; creating a legislative commission to study the child protection system; appropriating money for the development of a DNA profiling laboratory and for a public information campaign against sexual violence; amending Minnesota Statutes 1988, sections 260.161, subdivision 1; 260.181, subdivision 4; 260.185, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; and 609.345, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 241; 242; 299C; 609; and 634.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [241.67] [SEX OFFENDER TREATMENT; PROGRAMS; STANDARDS; DATA.]

*Subdivision 1. [SEX OFFENDER TREATMENT.] A sex offender treatment system is established under the administration of the commissioner of corrections to provide and finance a range of sex offender treatment programs for eligible adults and juveniles. Eligible offenders are:*

- (1) adults and juveniles committed to the custody of the commissioner;*
- (2) adult offenders for whom treatment is required by the court as a condition of probation; and*
- (3) juvenile offenders who have been found delinquent or received a stay of adjudication, for whom the juvenile court has ordered treatment.*

*Subd. 2. [TREATMENT PROGRAM STANDARDS.] By July 1, 1991, the commissioner shall adopt rules under chapter 14 for the certification of adult and juvenile sex offender treatment programs in state and local correctional facilities and for adult and juvenile residential and outpatient sex offender programs. After July 1, 1991, a correctional facility may not operate a sex offender treatment program, and an adult or juvenile residential or outpatient sex offender program is not eligible for state reimbursement, unless the program has met the standards adopted by and been certified by the commissioner of corrections. As used in this subdivision, “correctional facility” has the meaning given it in section 241.021, subdivision 1, clause (5).*

*Subd. 3. [PROGRAMS FOR ADULT OFFENDERS COMMITTED TO THE COMMISSIONER.] (a) The commissioner shall provide for a range of sex offender treatment programs, including intensive sex offender treatment, within the state adult correctional facility system. Participation in any treatment program is voluntary and is subject to the rules and regulations of the department of corrections. Nothing in this section requires the commissioner to accept or retain an offender in a treatment program. Nothing in this section creates a right of an offender to treatment.*

*(b) The commissioner shall provide for residential and outpatient sex offender treatment and aftercare when required for conditional release under section 13 or as a condition of supervised release.*

*Subd. 4. [PROGRAMS FOR ADULT OFFENDERS SENTENCED BY THE COURT TO PROBATION.] If a person is convicted of a violation of section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.746, 609.79, 617.23, 617.246, or 617.247, and is sentenced by the court to sex offender treatment as a condition of probation, the commissioner may reimburse the sex offender treatment program in which the person is placed.*

*Subd. 5. [JUVENILE SEX OFFENDER PROGRAMS.] The commissioner shall provide for sex offender programs for juveniles committed to the commissioner by the court under section 260.185, as provided under section 2. The commissioner may reimburse the juvenile treatment program in which the juvenile is placed, after being found or adjudicated delinquent, or having received a stay of adjudication for an offense listed in subdivision 4. The commissioner may continue to provide treatment or reimburse a treatment program until the offender is 21.*

*Subd. 6. [SPECIALIZED CORRECTIONS AGENTS AND PROBATION OFFICERS; SEX OFFENDER SUPERVISION.] By January 1, 1990, the commissioner of corrections shall develop in-service training for state and local corrections agents and probation officers who supervise adult and juvenile sex offenders on probation or supervised release. The commissioner shall make the training available to all current and future corrections agents and probation officers who supervise or will supervise sex offenders on probation or supervised release.*

*After January 1, 1991, a state or local corrections agent or probation officer may not supervise adult or juvenile sex offenders on probation or supervised release unless the agent or officer has completed the in-service sex offender supervision training. The commissioner may waive this requirement if the corrections agent or probation officer has completed equivalent training as part of a post-secondary educational curriculum.*

*After January 1, 1991, when an adult sex offender is placed on supervised release or is sentenced to probationary supervision, and when a juvenile offender is found delinquent by the juvenile court for a sex offense and placed on probation or is paroled from a juvenile correctional facility, a corrections agent or probation officer may not be assigned to the offender unless the agent or officer has completed the in-service sex offender supervision training.*

## **Sec. 2. [242.195] [JUVENILE SEX OFFENDERS.]**

*Subdivision 1. [TREATMENT PROGRAMS.] The commissioner of corrections shall provide for a range of sex offender treatment programs, including intensive sex offender treatment, for juveniles within state juvenile correctional facilities and through purchase of service from county*

*and private residential and outpatient juvenile sex offender treatment programs.*

*Subd. 2. [SECURE CONFINEMENT.] If a juvenile sex offender committed to the custody of the commissioner is in need of secure confinement, the commissioner shall provide for the appropriate level of sex offender treatment within a secure facility or unit in a state juvenile correctional facility.*

*Subd. 3. [DISPOSITIONS.] When a juvenile is committed to the commissioner of corrections by a juvenile court, upon a finding of delinquency for a sex offense, the commissioner may, for the purposes of treatment and rehabilitation:*

*(1) order the child confined to a state juvenile correctional facility that provides the appropriate level of juvenile sex offender treatment program;*

*(2) purchase sex offender treatment from a county and place the child in the county's qualifying juvenile correctional facility;*

*(3) purchase sex offender treatment from a qualifying private residential juvenile sex offender treatment program and place the child in the program;*

*(4) purchase outpatient juvenile sex offender treatment for the child from a qualifying county or private program and order the child released on parole under treatment and other supervisions and conditions the commissioner believes to be appropriate;*

*(5) order reconfinement or renewed parole, revoke or modify any order, or discharge the child under the procedures provided in section 242.19, subdivision 2, paragraphs (c), (d), and (e); or*

*(6) refer the child to a county welfare board or licensed child-placing agency for placement in foster care, or when appropriate, for initiation of child in need of protection or services proceedings under section 242.19, subdivision 2, paragraph (f).*

*Subd. 4. [QUALIFYING FACILITIES; TREATMENT PROGRAMS.] The commissioner may not place a juvenile in a correctional facility under this section unless the facility has met the requirements of section 241.021, subdivision 2.*

Sec. 3. Minnesota Statutes 1988, section 244.04, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION OF SENTENCE.] Notwithstanding the provisions of section 609.11, subdivision 6, and section 609.346, subdivision 1, the term of imprisonment of any inmate sentenced to a presumptive fixed sentence after May 1, 1980, shall be reduced in duration by one day for each two days during which the inmate violates none of the disciplinary offense rules promulgated by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate, *except that the period of supervised release for a sex offender sentenced and conditionally released by the commissioner under section 13, subdivision 5, is governed by that provision.*

Except as otherwise provided in subdivision 2, if an inmate violates a disciplinary offense rule promulgated by the commissioner, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appropriate portion of the term of imprisonment after the violation without earning good time.

Sec. 4. Minnesota Statutes 1988, section 244.05, subdivision 1, is amended to read:

244.05 [SUPERVISED RELEASE TERM.]

Subdivision 1. [SUPERVISED RELEASE REQUIRED.] Except as provided in subdivisions 4 and 5, every inmate shall serve a supervised release term upon completion of the inmate's term of imprisonment as reduced by any good time earned by the inmate or extended by confinement in punitive segregation pursuant to section 244.04, subdivision 2. *Except for a sex offender conditionally released under section 13, subdivision 5, the supervised release term shall be equal to the period of good time the inmate has earned, and shall not exceed the length of time remaining in the inmate's sentence.*

Sec. 5. Minnesota Statutes 1988, section 244.05, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS FOR VIOLATION.] If an inmate violates the conditions of the inmate's supervised release imposed by the commissioner, the commissioner may:

(1) continue the inmate's supervised release term, with or without modifying or enlarging the conditions imposed on the inmate; or

(2) revoke the inmate's supervised release and reimprison the inmate for the appropriate period of time.

The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence, *except that for a sex offender sentenced and conditionally released under section 13, subdivision 5, the period of time for which conditional release may be revoked may not exceed the balance of the original sentence imposed less good time earned under section 244.04, subdivision 1.*

Sec. 6. [244.12] [COLLECTION OF DATA ON ADULT AND JUVENILE SEX OFFENDERS.]

Subdivision 1. [DATA REQUIRED.] *The commission shall coordinate the collection and analysis of summary data on adult offenders convicted under section 609.342, 609.343, 609.344, or 609.345, and juvenile offenders found delinquent for violating one of those provisions. The commission must work with the supreme court, the commissioner of corrections, the bureau of criminal apprehension, and the state planning agency coordinating the collection and analysis of the data. The data collected must include:*

- (1) the sex and age of the offender;*
- (2) the sex and age of the victim or victims;*
- (3) the relationship, if any, between the offender and victim;*
- (4) previous criminal history;*
- (5) the sex offense or offenses charged;*
- (6) the offense or offenses of conviction;*
- (7) the sentence received by the offender;*
- (8) whether the offender was assessed as amenable to sex offender treatment;*

(9) whether the offender was admitted to a sex offender treatment program, and if so, to which program;

(10) whether the offender successfully completed the treatment program; and

(11) whether the offender committed a subsequent sex offense or other offense while on probation, supervised release, or within ten years after expiration of sentence.

Subd. 2. [REPORT.] *The commission shall report to the house of representatives and senate judiciary committees an analysis of the data collected under this section, along with any recommendations for legislative action by January 15 of every odd-numbered year, beginning in 1993.*

Sec. 7. Minnesota Statutes 1988, section 260.161, is amended by adding a subdivision to read:

Subd. 1a. [RECORD OF ADJUDICATIONS; NOTICE TO BUREAU OF CRIMINAL APPREHENSION.] *The juvenile court shall forward to the bureau of criminal apprehension the following data on juveniles found to have committed an act that would be a felony if committed by an adult:*

(1) *the name and birthdate of the juvenile;*

(2) *the type of act the juvenile was found to have committed; and*

(3) *the date and county of the court finding.*

Sec. 8. Minnesota Statutes 1988, section 260.181, subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF JURISDICTION.] (a) *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 paragraph (b) or (c), 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.*

(b) *Court jurisdiction under section 260.015, subdivision 2a, clause (12), may not continue past the child's 17th birthday.*

(c) *Court jurisdiction over an individual found to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, or 609.345 continues until the individual becomes 21 years of age, if the court determines at the original disposition hearing that continued jurisdiction will facilitate the juvenile's completion of a treatment or aftercare program.*

Sec. 9. Minnesota Statutes 1988, section 260.185, subdivision 1, is amended to read:

Subdivision 1. *If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:*

(a) *Counsel the child or the parents, guardian, or custodian;*

(b) *Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral*

well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(4) ~~Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (e) and (d),~~ A county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) A county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) ~~Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (e) and (d),~~ Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

*If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, or 609.345, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider.*

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also

set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

~~This subdivision applies to dispositions of juveniles found to be delinquent as defined in section 260.015, subdivision 5, clause (c) or (d) made prior to, on, or after January 1, 1978.~~

Sec. 10. [299C.095] [SYSTEM FOR IDENTIFICATION OF ADJUDICATED JUVENILES.]

*The bureau shall establish a system for recording the data on adjudicated juveniles received from the juvenile courts under section 7. The data in the system are private data as defined in section 13.02, subdivision 12, but are accessible to a person who has access to the juvenile court records under section 260.161 or court rule. When an individual reaches the age of 23, the bureau shall remove the records about the individual from the system and destroy them. However, if the individual is under the control or supervision of the commissioner when the individual reaches age 23, the records shall be removed and destroyed when the individual is no longer under the commissioner's control or supervision.*

Sec. 11. [299C.155] [STANDARDIZED EVIDENCE COLLECTION; DNA ANALYSIS DATA AND RECORDS.]

*Subdivision 1. [DEFINITION.] As used in this section, "DNA analysis" means the process through which deoxyribonucleic acid (DNA) in a human biological specimen is analyzed and compared with DNA from another human biological specimen for identification purposes.*

*Subd. 2. [UNIFORM EVIDENCE COLLECTION.] The bureau shall develop uniform procedures and protocols for collecting evidence in cases of alleged or suspected criminal sexual conduct, including procedures and protocols for the collection and preservation of human biological specimens for DNA analysis. Law enforcement agencies and medical personnel who conduct evidentiary exams shall use the uniform procedures and protocols in their investigation of criminal sexual conduct offenses.*

*Subd. 3. [DNA ANALYSIS AND DATA BANK.] The bureau shall adopt uniform procedures and protocols to maintain, preserve, and analyze human biological specimens for DNA. The bureau shall establish a centralized system to cross-reference data obtained from DNA analysis.*

*Subd. 4. [RECORDS.] The bureau shall perform DNA analysis and make data obtained available to law enforcement officials in connection with criminal investigations in which human biological specimens have been recovered. Upon request, the bureau shall also make the data available to the prosecutor and the subject of the data in any subsequent criminal prosecution of the subject.*

Sec. 12. [609.1351] [PETITION FOR CIVIL COMMITMENT.]

*When a court sentences a person under section 13, 609.342, 609.343, 609.344, or 609.345, the court shall make a preliminary determination whether in the court's opinion a petition under section 526.10 may be appropriate. If the court determines that a petition may be appropriate,*

*the court shall forward its preliminary determination along with supporting documentation to the county attorney. If the person is subsequently committed under section 526.10, the person shall be committed to the commissioner of corrections to serve the sentence imposed before being transferred by the commissioner of corrections to a state hospital designated by the commissioner of human services.*

**Sec. 13. [609.1352] [DANGEROUS SEX OFFENDERS; SPECIAL SENTENCING PROVISION.]**

*Subdivision 1. [SENTENCING AUTHORITY.] A court may sentence a person to a term of imprisonment of not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment equal to the statutory maximum, if:*

*(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;*

*(2) the court finds that the offender is a danger to public safety; and*

*(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release. The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.*

*Subd. 2. [PREDATORY CRIME.] A predatory crime is a felony violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.221, 609.222, 609.223, 609.24, 609.245, 609.25, 609.255, 609.342, 609.343, 609.344, 609.345, 609.365, 609.498, or 609.582, subdivision 1, or a violation of section 609.224.*

*Subd. 3. [DANGER TO PUBLIC SAFETY.] The court shall base its finding that the offender is a danger to public safety on either of the following factors:*

*(1) the crime involved an aggravating factor that would justify a durational departure from the presumptive sentence under the sentencing guidelines; or*

*(2) the offender previously committed or attempted to commit a predatory crime, including an offense committed as a juvenile that would have been a predatory crime if committed by an adult.*

*Subd. 4. [DEPARTURE FROM GUIDELINES.] A sentence imposed under*



*subdivision 1 is a departure from the sentencing guidelines.*

*Subd. 5. [CONDITIONAL RELEASE.] At the time of sentencing under subdivision 1, the court may provide that after the offender has completed one-half of the full pronounced sentence imposed, without regard to good time, the commissioner of corrections may place the offender on conditional release for the remainder of the statutory maximum period or for ten years, whichever is longer, if the commissioner finds that:*

*(1) the offender is amenable to treatment and has made sufficient progress in a sex offender treatment program available in prison to be released to a sex offender treatment program operated by the department of human services or a community sex offender treatment and reentry program; and*

*(2) the offender has been accepted in a program approved by the commissioner that provides treatment, aftercare, and phased reentry into the community.*

*The conditions of release must include successful completion of treatment and aftercare in a program approved by the commissioner and any other conditions the commissioner considers appropriate. Release may be revoked and the stayed sentence executed in its entirety less good time if the offender fails to meet any condition of release. The commissioner shall not dismiss the offender from supervision before the sentence expires.*

*Conditional release granted under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.*

*Subd. 6. [COMMISSIONER OF CORRECTIONS.] The commissioner shall pay the cost of treatment of a person released under subdivision 5. This section does not require the commissioner to accept or retain an offender in a treatment program.*

Sec. 14. Minnesota Statutes 1988, section 609.342, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~20~~ 25 years or to a payment of a fine of not more than ~~\$35,000~~ \$40,000, or both.

Sec. 15. Minnesota Statutes 1988, section 609.343, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~15~~ 20 years or to a payment of a fine of not more than ~~\$30,000~~ \$35,000, or both.

Sec. 16. Minnesota Statutes 1988, section 609.344, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~ten~~ 15 years or to a payment of a fine of not more than ~~\$20,000~~ \$30,000, or both.

Sec. 17. Minnesota Statutes 1988, section 609.345, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~five~~ ten years or to a payment of a fine of not more than ~~\$10,000~~ \$20,000, or both.

Sec. 18. Minnesota Statutes 1988, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] *Except as provided in section 19, if a person is convicted of a ~~second or subsequent offense~~ under sections 609.342 to 609.345, within 15 years of the ~~prior a previous sex offense~~ conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may stay the execution of the sentence imposed under this ~~section~~ subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.*

Sec. 19. Minnesota Statutes 1988, section 609.346, is amended by adding a subdivision to read:

Subd. 2a. [MAXIMUM SENTENCE IMPOSED.] *(a) The court shall sentence a person to a term of imprisonment of the statutory maximum sentence under section 609.342 for criminal sexual conduct in the first degree, if:*

*(1) the person is convicted under section 609.342, 609.343, or 609.344; and*

*(2) the person has two previous sex offense convictions.*

*(b) Notwithstanding sections 609.342, subdivision 3; 609.343, subdivision 3; 609.344, subdivision 3; 609.345, subdivision 3; and subdivision 2, the court may not stay imposition of the sentence required by this subdivision.*

Sec. 20. Minnesota Statutes 1988, section 609.346, subdivision 3, is amended to read:

Subd. 3. [~~PRIOR PREVIOUS SEX OFFENSE CONVICTIONS UNDER SIMILAR STATUTES.~~] *For the purposes of this section, an ~~offense a conviction~~ is considered a ~~second or subsequent previous sex offense conviction~~ if ~~conviction of the actor for the offense follows or coincides with a conviction of the actor was convicted, before the present offense of conviction,~~ under sections 609.342 to 609.345 or under any similar statute of the United States, or this or any other state.*

Sec. 21. [609.3461] [DNA ANALYSIS OF SEX OFFENDERS REQUIRED.]

*When a court sentences a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or the juvenile court adjudicates a person a delinquent child for violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, it shall order the person to provide a biological specimen for the purpose of DNA analysis as defined in section 11. The biological specimen or the results of the analysis shall be maintained by the bureau of criminal apprehension as provided in section 11. If a person convicted of violating or attempting to*

*violate section 609.342, 609.343, 609.344, or 609.345, and committed to the custody of the commissioner of corrections for a term of imprisonment has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.*

Sec. 22. Minnesota Statutes 1988, 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 *or, if the victim failed to report the offense within this limitation period, within two years after the offense was reported to law enforcement authorities, but in no event may an indictment or complaint be found or made after the victim attains the age of 25 years.*

(d) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (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) 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.

Sec. 23. [634.25] [ADMISSIBILITY OF RESULTS OF DNA ANALYSIS.]

*In a civil or criminal trial or hearing, the results of DNA analysis, as defined in section 11, are admissible in evidence without antecedent expert testimony that DNA analysis provides a trustworthy and reliable method of identifying characteristics in an individual's genetic material upon a showing that the offered testimony meets the standards for admissibility set forth in the Rules of Evidence.*

Sec. 24. [634.26] [STATISTICAL PROBABILITY EVIDENCE.]

*In a civil or criminal trial or hearing, statistical population frequency evidence, based on genetic or blood test results, is admissible to demonstrate the fraction of the population that would have the same combination of genetic markers as was found in a specific human biological specimen. "Genetic marker" means the various blood types or DNA types that an individual may possess.*

**Sec. 25. [CHILD PROTECTION SYSTEM STUDY COMMISSION.]**

*Subdivision 1. [MEMBERSHIP.] A child protection system study commission is created consisting of five members of the house of representatives appointed by the speaker of the house and five members of the senate appointed by the senate subcommittee on subcommittees. The commission shall select from its membership a chair or co-chairs and other officers it considers necessary.*

*Subd. 2. [STUDIES.] The commission shall study:*

*(1) the current structure and operation of the child protection system at the state and county level;*

*(2) the current operation of the child abuse reporting act;*

*(3) the ways in which the child protection system can provide more effective intervention and prevention services for sexually aggressive and sexually abused children; and*

*(4) other ways in which the child protection system and the child abuse reporting act can be improved.*

*Subd. 3. [REPORT.] The commission shall report to the legislature on its findings and recommendations not later than February 15, 1990, and ceases to function after that date.*

*Subd. 4. [COMPENSATION.] Members of the commission must be compensated in the same manner as for other legislative meetings.*

**Sec. 26. [EVALUATION OF SEX OFFENDER TREATMENT FUNDING.]**

*Subdivision 1. [EVALUATION.] The commissioner of corrections and the commissioner of human services shall evaluate funding mechanisms for existing sex offender treatment programs. The commissioners must evaluate the funding of sex offender treatment programs for adults and juveniles and make findings concerning:*

*(1) the extent to which sex offender treatment programs are used on a statewide basis; and*

*(2) the effectiveness and adequacy of existing funding mechanisms.*

*Subd. 2. [REPORT.] The commissioner of corrections and the commissioner of human services shall report to the legislature by January 1, 1991, their findings and recommendations to improve funding equity and statewide availability of treatment programs, including recommendations to increase funding.*

**Sec. 27. [PRELIMINARY REPORT ON SEX OFFENDER RECIDIVISM.]**

*The sentencing guidelines commission shall prepare a preliminary plan to coordinate the collection of data under section 6. The commission must report its preliminary plan to the judiciary committees of the senate and the house of representatives by January 15, 1991. The report must include the elements of the commission's plan to coordinate the collection and*

*analysis of data on recidivism rates of sex offenders required by section 6, and any legislative action necessary to facilitate the plan.*

**Sec. 28. [APPROPRIATIONS.]**

*Subdivision 1. [STATEWIDE SEXUAL VIOLENCE PREVENTION INFORMATION PROGRAM.] § . . . . . is appropriated from the general fund to the commissioner of corrections to be used to award grants to private advertising and public relations firms for the purpose of developing and disseminating a statewide public information program on the prevention of sexual violence, to be available until June 30, 1991.*

*Subd. 2. [LOCAL SEXUAL VIOLENCE PREVENTION INFORMATION PROGRAMS.] § . . . . . is appropriated from the general fund to the commissioner of corrections to be used to award grants to schools and other community groups for the purpose of developing and disseminating local public information programs on the prevention of sexual violence, to be available until July 1, 1991.*

*Subd. 3. [DNA LABORATORY AND RECORDING SYSTEM.] § . . . . . is appropriated from the general fund to the commissioner of public safety to be used by the bureau of criminal apprehension for the following purposes:*

*(1) establishing and operating a laboratory to perform DNA analysis; and*

*(2) establishing a system for collecting and maintaining DNA analysis data and human biological specimens.*

*This appropriation is available until June 30, 1991.*

*Subd. 4. [SEX OFFENDER TREATMENT PROGRAMS.] § . . . . . is appropriated from the general fund to the commissioner of corrections to be used:*

*(1) to adopt rules under chapter 14 for sex offender treatment programs in correctional facilities and sex offender treatment programs eligible for state reimbursement for individuals placed by the commissioner and the courts;*

*(2) to provide sex offender treatment programs in state adult correctional facilities and for aftercare for sex offenders released from state institutions; and*

*(3) to provide grants to counties to increase funding for court-ordered sex offender treatment for juveniles and for sex offender treatment for adults sentenced by the court to local incarceration or probation in the community.*

*This appropriation is available until June 30, 1991.*

**Sec. 29. [EFFECTIVE DATE.]**

*Sections 1 to 12 and 21, 23, and 24 are effective August 1, 1989. Sections 14 to 20 are effective August 1, 1989, and apply to crimes committed on or after that date. Section 13 is effective August 1, 1989, and applies to crimes committed on or after that date, but a court may consider acts committed before the effective date in determining whether an offender is a danger to public safety under section 13, subdivision 3. Section 22 is effective August 1, 1989, and applies to crimes committed on or after that*

*date, and to crimes committed before that date if the limitations period for the crime did not expire before August 1, 1989."*

Delete the title and insert:

"A bill for an act relating to crimes; criminal sexual conduct; establishing standards for sex offender treatment programs within the correctional system; requiring training for probation and corrections agents who supervise released sex offenders; requiring the collection of data on the treatment and recidivism rates of convicted sex offenders; extending the jurisdiction of the juvenile court over sex offenders until their 21st birthday; providing a centralized reporting system for juvenile felony offenders; requiring the bureau of criminal apprehension to develop uniform procedures for the collection and analysis of DNA typing evidence; providing for the admissibility of such evidence; increasing penalties for criminal sexual conduct offenses; permitting courts to sentence dangerous or patterned sex offenders to longer periods of incarceration and supervision; imposing a mandatory sentence for third criminal sexual conduct conviction; extending the statute of limitations for criminal sexual conduct; creating a legislative commission to study the child protection system; appropriating money; amending Minnesota Statutes 1988, sections 244.04, subdivision 1; 244.05, subdivisions 1 and 3; 260.161, by adding a subdivision; 260.181, subdivision 4; 260.185, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.346, subdivisions 2, 3, and by adding a subdivision; and 628.26; proposing coding for new law in Minnesota Statutes, chapters 241; 242; 244; 299C; 609; and 634."

And when so amended the bill do pass and be re-referred to the Committee on Finance. 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 first Ramstad amendment to S.F. No. 320.

There were yeas 4 and nays 12, as follows:

Those who voted in the affirmative were:

Messrs. Belanger, Knaak, McGowan and Ramstad.

Those who voted in the negative were:

Ms. Berglin, Messrs. Cohen; Luther; Marty; Merriam; Moe, D.M.; Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reighgott, Messrs. Spear and Stumpf.

The amendment was not adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 502: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land bordering public water in Washington county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 24, before "*failed*" insert "*, by mistake,*" and delete "*redeem*" and insert "*pay*" and delete "*property following*"

Page 2, line 25, delete "*forfeiture for nonpayment of*"

Page 2, lines 27 and 28, delete "*Mr. Barbour*" and insert "*private use*"

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. 578: A bill for an act relating to transportation; granting power to road authorities to mow or till rights-of-way of certain highways; amending Minnesota Statutes 1988, sections 160.232; and 160.27, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, before the period, insert "*not conflicting with the rules of the commissioner*"

Page 1, line 25, reinstate the stricken language and delete the new language

Page 2, line 1, delete the new language

Amend the title as follows:

Page 1, line 2, delete "granting power to" and insert "authorizing"

Page 1, line 4, before the semicolon, insert "by ordinance"

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. 527: A bill for an act relating to state parks; requiring collection facilities for recycling containers in state parks; proposing coding for new law in Minnesota Statutes, chapter 85.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "*for recycling*"

Page 1, line 17, after "*must*" insert "*where practicable*"

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. 545: A bill for an act relating to natural resources; providing for the disposal of certain low-grade state-owned iron-bearing materials for construction or maintenance purposes; amending Minnesota Statutes 1988, section 93.41, 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. 97: A bill for an act relating to crimes; requiring the court to order the preparation of a presentence investigation report in gross misdemeanor cases when requested by the prosecutor; amending Minnesota Statutes 1988, section 609.115, subdivision 1.

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

H.F. No. 1435: A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 13, insert:

“Sec. 2. [DOUGLAS COUNTY; OFF-SALE LICENSE.]

*Notwithstanding Minnesota Statutes, section 340A.405, subdivision 2, paragraph (b), the Douglas county board may issue an off-sale intoxicating liquor license to an exclusive liquor store in Holmes City township with the approval of the commissioner of public safety. All other requirements of Minnesota Statutes, chapter 340A, apply to a license issued under this section. The county board may not issue a license under this section unless the town board of Holmes City township adopts a resolution approving the issuance of the license.”*

Page 1, line 16, after the period, insert “Section 2 is effective on approval of the Douglas county board and compliance with Minnesota Statutes, section 645.021.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after “county” insert “; authorizing the Douglas county board to issue an off-sale liquor license”

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. 76: A bill for an act relating to juveniles; prohibiting the detention of juveniles in jails or lockups for longer than 24 hours before a detention hearing is held; prohibiting the detention of juveniles in jails or lockups after August 1, 1991, for longer than 24 hours unless a reference motion has been filed; amending Minnesota Statutes 1988, sections 260.171, subdivisions 2 and 4; and 260.172, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 5, after the comma, insert “or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area,”

Page 2, line 12, after the fourth comma, insert “or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical



area,”

Page 4, line 5, after the comma, insert “*or longer than six hours if the adult jail or municipal lockup is in a standard metropolitan statistical area,*”

Page 4, line 25, after the fourth comma, insert “*or longer than six hours if the adult jail or municipal lockup is in a standard metropolitan statistical area,*”

Page 5, after line 36, insert:

“Sec. 5. Minnesota Statutes 1988, section 260.173, subdivision 4, is amended to read:

Subd. 4. If a child is taken into custody as one who:

(a) has allegedly committed an act which would constitute a violation of a state law or a local ordinance if the child were an adult; or

(b) is reasonably believed to have violated the terms of probation, parole, or other field supervision under which the child had been placed as a result of behavior described under clause (a);

the child may be detained in a shelter care or secure *juvenile* detention facility. If the child cannot be detained in another type of detention facility, and if there is no secure *juvenile* detention facility *or existing acceptable detention alternative available* for juveniles within the county, a child described in this subdivision may be detained up to ~~48~~ 24 hours, *excluding Saturdays, Sundays, and holidays, or up to six hours in a standard metropolitan statistical area*, in a jail, lockup or other facility used for the confinement of adults who have been charged with or convicted of a crime, in quarters separate from any adult confined in the facility which has been approved for the detention of juveniles ~~for up to 48 hours~~ by the commissioner of corrections, ~~or~~. If continued detention is ~~required in an adult jail is approved by the court under section 260.172, subdivision 2,~~ and there is no *juvenile* secure detention facility ~~for juveniles~~ available for use by the county having jurisdiction over the child, such child may be detained for no more than eight days from and including the date of the original detention order in separate quarters in any jail or other adult facility for the confinement of persons charged with or convicted of crime which has been approved by the commissioner of corrections to be suitable for the detention of juveniles for up to eight days. Except for children who have been referred for prosecution pursuant to section 260.125, and as hereinafter provided, any child requiring secure detention for more than eight days from and including the date of the original detention order must be removed to an approved secure *juvenile* detention facility. A child 16 years of age or older against whom a motion to refer for prosecution is pending before the court may be detained for more than eight days in separate quarters in a jail or other facility which has been approved by the commissioner of corrections for the detention of juveniles for up to eight days after a hearing and subject to the periodic reviews provided in section 260.172. No child under the age of 14 may be detained in a jail, lockup or other facility used for the confinement of adults who have been charged with or convicted of a crime.”

Page 6, line 2, delete “*Section 4 is*” and insert “*Sections 4 and 5 are*”

Renumber the sections in sequence

Delete the title and insert:

“A bill for an act relating to juveniles; establishing maximum periods of detention of juveniles in adult jails or lockups; prohibiting detention beyond the maximum period before a detention hearing is held; prohibiting detention beyond the maximum period after August 1, 1991, unless a reference motion has been filed; prohibiting temporary detention beyond the maximum period; amending Minnesota Statutes 1988, sections 260.171, subdivisions 2 and 4; 260.172, subdivisions 1 and 2; and 260.173, subdivision 4.”

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. 1267 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.
1267	1144				

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. 761 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.
761	694				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 761 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 761 and insert the language after the enacting clause of S.F. No. 694, the first engrossment; further, delete the title of H.F. No. 761 and insert the title of S.F. No. 694, the first engrossment.

And when so amended H.F. No. 761 will be identical to S.F. No. 694, and further recommends that H.F. No. 761 be given its second reading and substituted for S.F. No. 694, 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. 955 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.
955	863				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 955 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 955 and insert the language after the enacting clause of S.F. No. 863, the first engrossment; further, delete the title of H.F. No. 955 and insert the title of S.F. No. 863, the first engrossment.

And when so amended H.F. No. 955 will be identical to S.F. No. 863, and further recommends that H.F. No. 955 be given its second reading and substituted for S.F. No. 863, 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. 483 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.
483	682				

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. 655 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.
655	453				

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. 595 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.
				595	587

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 595 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 595 and insert the language after the enacting clause of S.F. No. 587, the second engrossment; further, delete the title of H.F. No. 595 and insert the title of S.F. No. 587, the second engrossment.

And when so amended H.F. No. 595 will be identical to S.F. No. 587, and further recommends that H.F. No. 595 be given its second reading and substituted for S.F. No. 587, 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. 1069 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.
1069	210				

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. 1172 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.
1172	64				

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. 1429 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.
1429	1002				

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. 501 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.
		501	425		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 501 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 501 and insert the language after the enacting clause of S.F. No. 425, the first engrossment; further, delete the title of H.F. No. 501 and insert the title of S.F. No. 425, the first engrossment.

And when so amended H.F. No. 501 will be identical to S.F. No. 425, and further recommends that H.F. No. 501 be given its second reading and substituted for S.F. No. 425, 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. 956 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.
956	960				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 956 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 956 and insert the language after the enacting clause of S.F. No. 960, the first engrossment; further, delete the title of H.F. No. 956 and insert the title of S.F. No. 960, the first engrossment.

And when so amended H.F. No. 956 will be identical to S.F. No. 960, and further recommends that H.F. No. 956 be given its second reading and substituted for S.F. No. 960, 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. 1438 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.
1438	1302				

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. 65 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.
65	65				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 65 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 65 and insert

the language after the enacting clause of S.F. No. 65, the second engrossment; further, delete the title of H.F. No. 65 and insert the title of S.F. No. 65, the second engrossment.

And when so amended H.F. No. 65 will be identical to S.F. No. 65, and further recommends that H.F. No. 65 be given its second reading and substituted for S.F. No. 65, 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. 1405 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.
1405	1407				

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. 1351 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.
1351	1138				

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. 1077 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.
1077	921				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1077 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1077 and insert the language after the enacting clause of S.F. No. 921, the first engrossment; further, delete the title of H.F. No. 1077 and insert the title of S.F. No. 921, the first engrossment.

And when so amended H.F. No. 1077 will be identical to S.F. No. 921, and further recommends that H.F. No. 1077 be given its second reading and substituted for S.F. No. 921, 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. 1151 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.
1151	1034				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1151 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1151 and insert the language after the enacting clause of S.F. No. 1034, the first engrossment; further, delete the title of H.F. No. 1151 and insert the title of S.F. No. 1034, the first engrossment.

And when so amended H.F. No. 1151 will be identical to S.F. No. 1034, and further recommends that H.F. No. 1151 be given its second reading and substituted for S.F. No. 1034, 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. 635 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.
635	632				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 635 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 635 and insert the language after the enacting clause of S.F. No. 632, the first engrossment; further, delete the title of H.F. No. 635 and insert the title of S.F. No. 632, the first engrossment.

And when so amended H.F. No. 635 will be identical to S.F. No. 632, and further recommends that H.F. No. 635 be given its second reading and substituted for S.F. No. 632, 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. 812 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.
812	870				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 812 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 812 and insert the language after the enacting clause of S.F. No. 870, the first engrossment; further, delete the title of H.F. No. 812 and insert the title of S.F. No. 870, the first engrossment.

And when so amended H.F. No. 812 will be identical to S.F. No. 870, and further recommends that H.F. No. 812 be given its second reading and substituted for S.F. No. 870, 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. 1160 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.
1160	1102				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1160 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1160 and insert the language after the enacting clause of S.F. No. 1102, the first engrossment; further, delete the title of H.F. No. 1160 and insert the title of S.F. No. 1102, the first engrossment.

And when so amended H.F. No. 1160 will be identical to S.F. No. 1102, and further recommends that H.F. No. 1160 be given its second reading and substituted for S.F. No. 1102, 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. 1104 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.
1104	1079				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1104 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1104 and insert the language after the enacting clause of S.F. No. 1079; further, delete the title of H.F. No. 1104 and insert the title of S.F. No. 1079.

And when so amended H.F. No. 1104 will be identical to S.F. No. 1079, and further recommends that H.F. No. 1104 be given its second reading and substituted for S.F. No. 1079, 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. 796 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.
796	712				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 796 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 796 and insert the language after the enacting clause of S.F. No. 712; further, delete the title of H.F. No. 796 and insert the title of S.F. No. 712.

And when so amended H.F. No. 796 will be identical to S.F. No. 712,

and further recommends that H.F. No. 796 be given its second reading and substituted for S.F. No. 712, 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. Pehler from the Committee on Education, to which was referred

S.F. No. 1488: A bill for an act relating to education; providing aid to repair damage due to vandalism at Sibley High School; 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. [124.242] [BUILDING BONDS FOR CALAMITIES.]

*When a building owned by a school district is substantially damaged by an act of God or other means beyond the control of the district, the district may issue general obligation bonds without an election to provide money immediately to carry out its adopted health and safety program. Each year the district must pledge an attributable share of its health and safety revenue to the repayment of principal and interest on the bonds. The pledged revenue shall be transferred to the debt redemption fund of the district. The district shall submit to the department of education the repayment schedule for any bonds issued under this section. The district shall deposit in the debt redemption fund all proceeds received for specific costs for which the bonds were issued, including but not limited to:*

- (1) insurance proceeds;*
- (2) restitution proceeds; and*
- (3) proceeds of litigation or settlement of a lawsuit.*

*Before bonds are issued, the district must submit a combined application to the commissioner of education for health and safety revenue, according to section 124.83, and requesting review and comment, according to section 121.15, subdivisions 6, 7, 8, and 9. The commissioner shall complete all procedures concerning the combined application within 20 days of receiving the application. The publication provisions of section 121.15, subdivision 9, do not apply to bonds issued under this section.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment.”*

Delete the title and insert:

“A bill for an act relating to education; authorizing a school district to issue bonds when a calamity occurs and establishing certain procedures for repayment of the bonds.”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 985, 1441, 1376, 662, 854 and 412 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F Nos. 502, 578, 527, 545, 97, 1435, 76, 1267, 761, 955, 483, 655, 595, 1069, 1172, 1429, 501, 956, 1438, 65, 1405, 1351, 1077, 1151, 635, 812, 1160, 1104 and 796 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Merriam moved that his name be stricken as a co-author to S.F. No. 263. The motion prevailed.

Mr. Morse moved that the names of Messrs. Purfeerst and Dahl be added as co-authors to S.F. No. 411. The motion prevailed.

Mr. Pehler moved that the name of Mr. Brandl be added as a co-author to S.F. No. 986. The motion prevailed.

Mr. Dahl moved that the name of Mr. Morse be added as a co-author to S.F. No. 1415. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 1467. The motion prevailed.

Mr. Moe, R.D. moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1527. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Morse be added as a co-author to S.F. No. 1561. The motion prevailed.

Mr. Metzen moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1563. The motion prevailed.

Messrs. Moe, R.D.; Benson; Frank; Chmielewski and Pogemiller introduced—

Senate Resolution No. 109: A Senate resolution declaring Workers' Memorial Day, April 28, 1989, in recognition of workers killed, injured, and disabled at their workplace.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 110: A Senate resolution commending Lieutenant Colonel George Schwantes for his many years of effective and dedicated service to the Minnesota Army National Guard.

Referred to the Committee on Rules and Administration.

Ms. Olson and Mr. Davis introduced—

Senate Resolution No. 111: A Senate resolution congratulating the Minnesota Association FFA on its 60th anniversary.

Referred to the Committee on Rules and Administration.

Mr. Metzen moved that S.F. No. 1488 be withdrawn from the Committee on Taxes and Tax Laws, given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 1488 was read the second time.

## CALENDAR

S.F. No. 391: A bill for an act relating to civil actions; excluding certain structures from the limitation period provided by the uniform commercial code; amending Minnesota Statutes 1988, section 336.2-725.

Was read the third time 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
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Morse	Schmitz
Bernhagen	Frederick	Lantry	Novak	Solon
Bertram	Frederickson, D.J.	Larson	Olson	Spear
Brandl	Frederickson, D.R.	Lessard	Pariseau	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	Marty	Peterson, R.W.	Taylor
Cohen	Hughes	McGowan	Piper	Vickerman
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 280: A bill for an act relating to natural resources; suspension of certain trespass laws to allow taking of fox during certain periods; amending Minnesota Statutes 1988, section 97B.001, 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 55 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	McQuaid	Peterson, R.W.
Beckman	Dicklich	Knutson	Mehrkens	Piper
Belanger	Diessner	Kroening	Merriam	Pogemiller
Benson	Frank	Laidig	Metzen	Purfeerst
Berg	Frederick	Langseth	Moe, D.M.	Ramstad
Berglin	Frederickson, D.J.	Lantry	Moe, R.D.	Reichgott
Bernhagen	Frederickson, D.R.	Larson	Morse	Renneke
Brandl	Freeman	Lessard	Novak	Schmitz
Chmielewski	Gustafson	Luther	Olson	Storm
Cohen	Hughes	Marty	Pariseau	Taylor
Dahl	Johnson, D.E.	McGowan	Peterson, D.C.	Waldorf

Those who voted in the negative were:

Bertram	Davis	Knaak	Spear	Vickerman
Brataas	Decker	Samuelson	Stumpf	

So the bill passed and its title was agreed to.

S.F. No. 738: A bill for an act relating to traffic regulations; providing for special permits for vehicles transporting pole-length pulpwood; setting a fee; amending Minnesota Statutes 1988, section 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 169.

Was read the third time 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.	Mehrkens	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	Pariseau	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Marty	Piper	Waldorf
Cohen	Hughes	McGowan	Pogemiller	
Dahl	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F No. 665: A bill for an act relating to motor vehicles; allowing second set of handicapped license plates to be issued to physically handicapped person who is furnished a vehicle as part of employment; allowing commissioner of public safety to waive requirement of physician's statement as evidence of physical handicap in certain circumstances; amending Minnesota Statutes 1988, sections 168.021, subdivision 1; and 169.345, subdivisions 2a 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Knaak	Merriam	Reichgott
Belanger	DeCramer	Knutson	Metzen	Renneke
Benson	Dicklich	Kroening	Moe, D.M.	Samuelson
Berg	Diessner	Laidig	Moe, R.D.	Schmitz
Berglin	Frank	Langseth	Morse	Spear
Bernhagen	Frederick	Lantry	Novak	Storm
Bertram	Frederickson, D.J.	Larson	Olson	Stumpf
Brandl	Frederickson, D.R.	Lessard	Pariseau	Taylor
Brataas	Freeman	Luther	Peterson, D.C.	Vickerman
Chmielewski	Gustafson	Marty	Peterson, R.W.	Waldorf
Cohen	Hughes	McGowan	Piper	
Dahl	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F No. 827: A bill for an act relating to public safety; increasing membership on advisory council for the children's trust fund; amending Minnesota Statutes 1988, section 299A.23, 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.	Mehrkens	Purfeerst
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Morse	Schmitz
Bernhagen	Frederick	Lantry	Novak	Spear
Bertram	Frederickson, D.J.	Larson	Olson	Storm
Brandl	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 787: A bill for an act relating to human services; establishing reporting requirements; defining the functions and responsibilities of the commissioner in supervising community social services administered by the counties; requiring the commissioner of human services to ensure compliance with applicable program laws and regulations; implementing corrective action plans; providing sanctions and establishing an incentive program; amending Minnesota Statutes 1988, sections 245.482; 245.716; 245.73, subdivision 4; 252.275, subdivision 7; 256.01, subdivision 2; 256.72; 256.736, subdivision 15; 256.871, subdivision 6; 256.935, subdivision 1; 256B.05, subdivision 1; 256B.20; 256D.04; 256D.39; 256E.05, subdivision 3, and by adding subdivisions; 256E.08, subdivisions 1 and 8; 256E.12, subdivision 3; 256F.06, subdivision 4; 256H.09, subdivision 1; and 257.3575, 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.	Mehrkens	Purfeerst
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Morse	Schmitz
Bernhagen	Frederick	Lantry	Novak	Spear
Bertram	Frederickson, D.J.	Larson	Olson	Storm
Brandl	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Freeman	Luther	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Marty	Peterson, R.W.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 829: A bill for an act relating to insurance; prohibiting insurers from maintaining subrogation actions against insureds; proposing coding for new law in Minnesota Statutes, chapter 60A.

Was read the third time 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	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Knaak	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 986: A bill for an act relating to weights and measures; simplifying definition of a firewood "cord"; requiring sale of firewood by volume; specifying firewood advertising and delivery ticket terminology; requiring a written firewood sales invoice; removing exemption from delivery ticket requirement; amending Minnesota Statutes 1988, sections 239.33; and 325E.01.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 17 and nays 46, as follows:

Those who voted in the affirmative were:

Berglin	Frank	Metzen	Pogemiller	Spear
Chmielewski	Hughes	Moe, D.M.	Purfeerst	
Cohen	Lantry	Pehler	Reichgott	
Dahl	Luther	Peterson, D.C.	Solon	

Those who voted in the negative were:

Adkins	DeCramer	Knaak	Merriam	Schmitz
Beckman	Dicklich	Knutson	Moe, R.D.	Storm
Belanger	Diessner	Kroening	Morse	Stumpf
Benson	Frederick	Laidig	Olson	Taylor
Berg	Frederickson, D.J.	Langseth	Pariseau	Vickerman
Bernhagen	Frederickson, D.R.	Larson	Peterson, R.W.	Waldorf
Bertram	Freeman	Lessard	Piper	
Brataas	Gustafson	McGowan	Ramstad	
Davis	Johnson, D.E.	McQuaid	Renneke	
Decker	Johnson, D.J.	Mehrkens	Samuelson	

So the bill failed to pass.

S.F. No. 184: A bill for an act relating to charitable organizations; regulating charitable solicitations and professional fund raisers; excluding certain religious organizations from registration; requiring a bond for professional fund raisers who have access to contributions; modifying disclosure requirements; authorizing the district court to redress violations of law; amending Minnesota Statutes 1988, sections 309.515, subdivision 2; 309.531, subdivision 2; 309.556; and 309.57, 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.	Merriam	Purfeerst
Beckman	Decker	Knaak	Metzen	Ramstad
Belanger	DeCramer	Knutson	Moe, D.M.	Reichgott
Benson	Dicklich	Kroening	Moe, R.D.	Renneke
Berg	Diessner	Laidig	Morse	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Luther	Pehler	Storm
Brataas	Freeman	Marty	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Taylor
Cohen	Hughes	McQuaid	Piper	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 321: A bill for an act relating to public nuisances; expanding the nuisance law to include prior convictions for certain drug and liquor offenses; amending Minnesota Statutes 1988, section 617.81, 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	Knaak	Metzen	Ramstad
Beckman	Decker	Kroening	Moe, D.M.	Reichgott
Belanger	DeCramer	Laidig	Moe, R.D.	Renneke
Benson	Dicklich	Langseth	Morse	Samuelson
Berg	Diessner	Lantry	Novak	Schmitz
Berglin	Frank	Larson	Olson	Solon
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Spear
Bertram	Frederickson, D.R.	Luther	Pehler	Storm
Brandl	Freeman	Marty	Peterson, D.C.	Stumpf
Brataas	Gustafson	McGowan	Peterson, R.W.	Taylor
Chmielewski	Hughes	McQuaid	Piper	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Merriam	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 624: A bill for an act relating to civil actions; removing certain limitations on parental liability for thefts by minors; amending Minnesota Statutes 1988, section 332.51, 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 62 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, R.D.	Renneke
Beckman	Dicklich	Kroening	Morse	Samuelson
Belanger	Diessner	Laidig	Novak	Schmitz
Benson	Frank	Langseth	Olson	Solon
Bernhagen	Frederick	Lantry	Pariseau	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	McGowan	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	
Davis	Johnson, D.J.	Mehrkens	Ramstad	
Decker	Knaak	Moe, D.M.	Reichgott	

Ms. Berglin, Messrs. Merriam and Metzen voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 535: A bill for an act relating to real property; abolishing certain residual marital interests in real property; clarifying that the 40-year limitation on actions affecting title to real estate applies to an action based on an option to repurchase or other restrictions on a surface estate; providing for certain certifications; changing effective dates for provisions relating to validation of foreclosure sales; amending Minnesota Statutes 1988, sections 541.023, subdivision 2; 548.181, subdivisions 1, 3, and by adding a subdivision; and 582.27; proposing coding for new law in Minnesota Statutes, chapter 519.

Was read the third time 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	Knaak	Merriam	Purfeerst
Beckman	DeCramer	Knutson	Metzen	Ramstad
Belanger	Dicklich	Kroening	Moe, D.M.	Renneke
Benson	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Morse	Schmitz
Bernhagen	Frederick	Lantry	Novak	Solon
Bertram	Frederickson, D.J.	Larson	Olson	Spear
Brandl	Frederickson, D.R.	Lessard	Pariseau	Storm
Brataas	Freeman	Luther	Pehler	Stumpf
Chmielewski	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.E.	McQuaid	Piper	Waldorf
Davis	Johnson, D.J.	Mehrkens	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 851: A bill for an act relating to driving while intoxicated; making it a crime for certain repeat offenders to refuse to submit to chemical testing under the implied consent law; imposing penalties; amending Minnesota Statutes 1988, sections 169.121, subdivisions 1, 1a, 3, and 3b; and 169.123, 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	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Knaak	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1016: A bill for an act relating to animals; authorizing a county board to regulate dogs and cats within the county without adopting a system of licensure; 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Knaak	Metzen	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 553: A bill for an act relating to Olmsted county; exempting the county from operation of a public morgue.

Was read the third time 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	Pogemiller
Beckman	Decker	Knaak	Merriam	Purfeerst
Belanger	DeCramer	Knutson	Metzen	Ramstad
Benson	Dicklich	Kroening	Moe, D.M.	Reichgott
Berg	Diessner	Laidig	Moe, R.D.	Renneke
Berglin	Frank	Langseth	Morse	Samuelson
Bernhagen	Frederick	Lantry	Novak	Schmitz
Bertram	Frederickson, D.J.	Larson	Olson	Spear
Brandl	Frederickson, D.R.	Lessard	Pariseau	Storm
Brataas	Freeman	Luther	Pehler	Stumpf
Chmielewski	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 1106: A bill for an act relating to adoption; changing the minimum age at which an adopted person may request original birth certificate information; changing time periods during which birth parents may consent to disclosure; authorizing disclosure of information on the consenting parent when only one birth parent consents; amending Minnesota Statutes 1988, section 259.49, subdivisions 1, 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	Davis	Knaak	Merriam	Purfeerst
Beckman	Decker	Knutson	Metzen	Ramstad
Belanger	DeCramer	Kroening	Moe, D.M.	Reichgott
Benson	Dicklich	Laidig	Moe, R.D.	Renneke
Berg	Diessner	Langseth	Morse	Samuelson
Berglin	Frank	Lantry	Novak	Schmitz
Bernhagen	Frederick	Larson	Olson	Solon
Bertram	Frederickson, D.R.	Lessard	Pariseau	Spear
Brandl	Freeman	Luther	Pehler	Storm
Brataas	Gustafson	Marty	Peterson, D.C.	Stumpf
Chmielewski	Hughes	McGowan	Peterson, R.W.	Taylor
Cohen	Johnson, D.E.	McQuaid	Piper	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 1270: A bill for an act relating to unemployment compensation; making various technical corrections; amending Minnesota Statutes 1988, sections 268.04, subdivisions 12 and 25; 268.06, subdivisions 1, 8a, and 28; 268.07, subdivisions 2 and 3; 268.09, subdivision 1; 268.10, subdivisions 1 and 2; 268.12, subdivision 12; 268.16, subdivision 4; 268.162, subdivision 1; 268.163, subdivision 1; and 268.165, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Pogemiller
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Morse	Schmitz
Bernhagen	Frederick	Lantry	Novak	Solon
Bertram	Frederickson, D.J.	Larson	Olson	Storm
Brandl	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Freeman	Luther	Pehler	Taylor
Chmielewski	Gustafson	Marty	Peterson, D.C.	Vickerman
Cohen	Hughes	McGowan	Peterson, R.W.	Waldorf
Dahl	Johnson, D.E.	McQuaid	Piper	

So the bill passed and its title was agreed to.

S.F. No. 119: A bill for an act relating to local government; authorizing towns to establish subordinate service districts; proposing coding for new law as Minnesota Statutes, chapter 365B.

Was read the third time 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	Pogemiller
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	Moe, D.M.	Renneke
Berg	Diessner	Laidig	Moe, R.D.	Samuelson
Berglin	Frank	Langseth	Morse	Schmitz
Bernhagen	Frederick	Lantry	Novak	Solon
Bertram	Frederickson, D.J.	Larson	Olson	Spear
Brandl	Frederickson, D.R.	Lessard	Pariseau	Storm
Brataas	Freeman	Luther	Pehler	Stumpf
Chmielewski	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 695: A bill for an act relating to education; requiring school boards to report certain teacher discharges and resignations to the board of teaching; providing for immunity from liability; amending Minnesota Statutes 1988, section 125.09, by adding subdivisions.

Was read the third time 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	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Knaak	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1082: A bill for an act relating to administrative procedure; clarifying the applicability of the requirement that agencies consider the impact of proposed rules on small business; amending Minnesota Statutes 1988, section 14.115, 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Beckman	Decker	Knaak	Metzen	Ramstad
Belanger	DeCramer	Knutson	Moe, D.M.	Reichgott
Benson	Dicklich	Kroening	Moe, R.D.	Renneke
Berg	Diessner	Laidig	Morse	Samuelson
Berglin	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Solon
Bertram	Frederickson, D.J.	Larson	Pariseau	Spear
Brandl	Frederickson, D.R.	Lessard	Pehler	Storm
Brataas	Freeman	Luther	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	Marty	Peterson, R.W.	Taylor
Cohen	Hughes	McGowan	Piper	Vickerman
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

H.F. No. 424: A bill for an act relating to commerce; unclaimed property; providing for the ownership of metal dies and molds; amending Minnesota Statutes 1988, section 345.20, 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	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Menkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Knaak	Metzen	Reichgott	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### MOTIONS AND RESOLUTIONS

Ms. Reichgott moved that H.F. No. 29 and the Conference Committee Report thereon be taken from the table. The motion prevailed.

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 29

A bill for an act relating to examiners of title; increasing number of deputy examiners of title in second and fourth judicial districts; amending Minnesota Statutes 1988, section 508.12, subdivision 3.

April 13, 1989

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. 29, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ann H. Rest, Randy C. Kelly, Art Seaberg

Senate Conferees: (Signed) Ember D. Reichgott, Randolph W. Peterson,  
Gary W. Laidig

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on H.F. No. 29 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. 29 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Knaak	Metzen	Reichgott	

So the bill, as amended by the Conference Committee, was repassed 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. Cohen introduced—

S.F. No. 1584: A bill for an act relating to housing; authorizing nonprofit neighborhood corporations to buy, rehabilitate, and sell housing to members of the community; establishing pilot programs for nonprofit neighborhood corporations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Messrs. Moe, R.D.; Luther; Benson; Ramstad and Freeman introduced—

S.F. No. 1585: A resolution memorializing the President and Congress of the United States to take action to review and revise the statutory framework of the laws of the United States with respect to hostile takeovers and stock accumulations having certain adverse effects and to permit certain state regulation.

Referred to the Committee on Commerce.

Messrs. Morse; Moe, D.M.; Benson and Langseth introduced—

S.F. No. 1586: A bill for an act relating to transportation; suspending a rule governing rental rates for trucks on highway projects; suspending Minnesota Rules, part 5200.1105.

Referred to the Committee on Governmental Operations.

Mr. Johnson, D.J. introduced—

S.F. No. 1587: A bill for an act relating to taxation; converting statutory references to mill rates to tax capacity rates; amending Minnesota Statutes 1988, sections 3.983, subdivision 3; 18.022, subdivision 2; 18.111, subdivision 1; 40A.15, subdivision 2; 88.04, subdivision 3; 110.71, subdivision 2; 110B.20; 112.61, subdivisions 2, 3, and 8; 138.053; 162.07, subdivisions 3 and 4; 162.081, subdivision 4; 164.04, subdivision 3; 164.05, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 273.1102, subdivision 3; 275.011, subdivisions 1 and 2; 275.077, subdivision 2; 275.28, subdivision 1; 275.56; 275.58, subdivision 1; 298.28, subdivision 4; 298.282, subdivision 2; 366.27; 373.40, subdivisions 4 and 6; 375.167, subdivision 1; 375.18, subdivision 3; 375.555; 383A.03, subdivision 4; 383A.411, subdivision 5; 383A.49, subdivision 2; 383B.152; 383B.245; 383B.73, subdivisions 1 and 2; 383C.42, subdivision 1; 398A.04, subdivision 8; 412.251; 412.531, subdivision 1; 414.035; 414.041, subdivision 7; 426.04; 447.10; 449.06; 449.08; 449.09; 449.10; 450.19; 450.25; 458A.10; 458A.31, subdivision 1; 459.06, subdivision 1; 459.14, subdivision 2; 462.396, subdivision 2; 469.033, subdivision 6; 469.053, subdivisions 4 and 6; 469.107, subdivision 1; 469.180, subdivision 2; 469.187; 469.188; 471.191, subdivision 2; 471.1921; 471.571, subdivisions 1 and 2; 473.325, subdivision 2; 473.446, subdivision 1; 473.661, subdivision 3; 473.667, subdivision 9; 473.671; 473.882, subdivision 3; 473.883, subdivision 6; and 641.23; repealing Minnesota Statutes 1988, sections 38.17; 38.28; 69.36; 423.376; 423.47; 423.807; 424.12; and 424.13.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1588: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; providing for deficiencies in and supplementing appropriations for the expenses of state government; setting filing fees for mental health service providers; appropriating money; amending Minnesota Statutes 1988, sections 16A.69; 16B.31, subdivision 3, and by adding a subdivision; 136.03; 136.65, by adding a subdivision; 137.02, by adding a subdivision; and 148B.42, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

Under the rules of the Senate, laid over one day.

## ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:45 p.m., Friday, April 21, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate